**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­INDEX N0:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**SCHOOL\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ TARGET\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CANDIDATE SIGN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CLASS/STREAM\_\_\_\_\_\_**

**BURAMU 1 - JOINT EVALUATION - 2019**

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

**565/1**

**BUSINESS STUDIES**

**MARCH – 2019**

**TIME: 2 HOUR**

**INSTRUCTIONS**

1. Write your admission number, sign, target, school and write the date of the assignment in the spaces provided above.
2. Answer all the questions in the spaces provided below each questions
3. Answer questions in English only

**For Examiner’s use only**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **13** | **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |  |

**TOTAL**

1. Mention **FOUR** features which qualifies food as a primary want. (4 marks)

1. ..........................................................................................................................................................................................................................................................................................................
2. ..........................................................................................................................................................................................................................................................................................................
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2. Highlight **FOUR** circumstances under which a manufacturer may opt to sell his products directly to the consumers rather than through intermediaries. (4 marks)

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3. Highlight **FOUR** roles of ethics in business. (4 marks)

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3. ..........................................................................................................................................................................................................................................................................................................
4. ..........................................................................................................................................................................................................................................................................................................
5. Outline **FOUR** merits of replacing manual systems with automated ones in carrying out office activities. (4 marks)
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7. ..........................................................................................................................................................................................................................................................................................................
8. ..........................................................................................................................................................................................................................................................................................................
9. ..........................................................................................................................................................................................................................................................................................................
10. Enumerate **FOUR** benefits that a country would get as a result of locating firms away from each other. (4 marks)
11. ..........................................................................................................................................................................................................................................................................................................
12. ..........................................................................................................................................................................................................................................................................................................
13. ..........................................................................................................................................................................................................................................................................................................
14. ..........................................................................................................................................................................................................................................................................................................
15. In less developed countries rapid population growth rate is a common phenomenon. State **FOUR** ways that this growth rate may negatively affect these countries. (4 marks)
16. ..........................................................................................................................................................................................................................................................................................................
17. ..........................................................................................................................................................................................................................................................................................................
18. ..........................................................................................................................................................................................................................................................................................................
19. ..........................................................................................................................................................................................................................................................................................................
20. Highlight **THREE** factors that make a risk valid for insurance. (3 marks)
21. ..........................................................................................................................................................................................................................................................................................................
22. ..........................................................................................................................................................................................................................................................................................................
23. ..........................................................................................................................................................................................................................................................................................................
24. ..........................................................................................................................................................................................................................................................................................................
25. The balance sheet below was prepared by unqualified accountant. Use the order of permanency to draw the correct balance sheet. (5 marks)

**Munene shop**

**Balance sheet as at 31st Dec 2006.**

|  |  |
| --- | --- |
| Capital 140, 000  Bank overdraft 20,000  Debtors 80,000  Cash in hand 40,000  Premises 120,000  400,000 | Stock 40,000  ICDC loan 160,000  Cash at bank 20,000  Creditors 80,000  Motor vehicles 100,000  400,000 |

1. Outline **FOUR** ways in which land is useful as a factor of production. (4 marks)
2. ..........................................................................................................................................................................................................................................................................................................
3. ..........................................................................................................................................................................................................................................................................................................
4. ..........................................................................................................................................................................................................................................................................................................
5. ..........................................................................................................................................................................................................................................................................................................
6. Outline **FOUR** challenges of consumer associations in protecting consumers in Kenya. (4 marks)
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8. ..........................................................................................................................................................................................................................................................................................................
9. ..........................................................................................................................................................................................................................................................................................................
10. ..........................................................................................................................................................................................................................................................................................................
11. Use the cash book below to state the transactions that took place on 2nd, 5th, 6th and 7th of may 2010. (4mks)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Detail | If  Folio | Cash | Bank (sh) | Date | Details | If  Folio | Cash(sh) | Bank (sh) |
| 2010 may 1    5  7 | Bal  Bank  James  Bal | ©  b/f | 100,000  20,000  120,000  104,000 | 250,000  11,000  261,000  211,000 | 2010 may 2  3  5  6  8 | Creditors  Rent  Cash  Drawings  Bal | ©  c/f | 4,000  12,000  104,000  120,000 | 30,000  20,000  211,000  261,000 |

Transactions:

(i) 2nd - ……………………………………………………………………………….

(ii) 5th - ……………………………………………………………………………….

(iii) 6th - ……………………………………………………………………………….

(iv) 7th - ……………………………………………………………………………….

1. The membership of savings and credit co- operative societies in Kenya keeps on increasing with time. State **FOUR** reasons to justify this trend. (4 marks)
2. ......................................................................................................................................................................................................................................................................................................
3. ......................................................................................................................................................................................................................................................................................................
4. ......................................................................................................................................................................................................................................................................................................
5. ......................................................................................................................................................................................................................................................................................................
6. Fill in the documents that match the statement given below. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Statement** | **Document** |
| i) | Issued by an agent who sells on behalf of the owner? |  |
| ii) | Issued by a carrier to a seller. |  |
| iii) | Issued to make overcharge corrections to invoice. |  |
| iv) | Informs the buyer that goods have been dispatched |  |

1. Identify the terms given to each of the following statements. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | Statement | Term |
|  | Transport goods from producers to consumers |  |
|  | Activities carried out with a view of making profit. |  |
|  | A person who uses a good or service. |  |
|  | Increasing the usefulness of a good or services |  |

1. Outline **FOUR** gaps in the market that may give rise to a business opportunity. (4 marks)
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3. ..........................................................................................................................................................................................................................................................................................................
4. ..........................................................................................................................................................................................................................................................................................................
5. ..........................................................................................................................................................................................................................................................................................................
6. Highlight **FOUR** functions of advertising agencies. (4 marks)
7. ............................................................................................................................................................................................................................................................................................................................
8. ...........................................................................................................................................................................................................................................................................................................................
9. ............................................................................................................................................................................................................................................................................................................................
10. ............................................................................................................................................................................................................................................................................................................................
11. The figure below shows a shift in supply curve from SS to S1S1.

S1

Price S

S1

S

Quantity

State **FOUR** possible causes that might have led to this situation. (4 marks)

1. ................................................................................................................................................................................................................................................................................................................
2. ................................................................................................................................................................................................................................................................................................................
3. ................................................................................................................................................................................................................................................................................................................
4. ................................................................................................................................................................................................................................................................................................................
5. Enter the following transactions in the relevant ledger accounts. (4 marks)

2011

July 1: Opening balances cash Ksh 24,000, bank Kshs 8000 (cr)

3: Paid rent Kshs 4,000 in cash

4: Bought goods worth Ksh 8,000 and paid by cheque

5: Deposited Ksh. 5,000 from the business into the bank.

1. The information below was extracted from the books of Shisia Stores for the year ended 31.12.2011

Opening stock sh.75, 000

Closing stock sh.25, 000

Turnover sh.900, 000

Margin 25%

Determine:

(5mks)

1. Gross profit
2. Rate of Turnover
3. Identify **THREE** possible oligopoly market situations. (3 marks)
4. ................................................................................................................................................................................................................................................................................................................
5. ................................................................................................................................................................................................................................................................................................................
6. ................................................................................................................................................................................................................................................................................................................
7. Outline **FOUR** factors that affect the circular flow of income. (4 marks)
8. ................................................................................................................................................................................................................................................................................................................
9. ................................................................................................................................................................................................................................................................................................................
10. ................................................................................................................................................................................................................................................................................................................
11. ................................................................................................................................................................................................................................................................................................................
12. State the line of communication involved in each of the following: (4 marks)

(a) The Manger of ABC Company Ltd. talking to the manager of XYZ company Ltd.

……………………………………………………………………………………….

(b) A secretary asking for time off from her boss.

……………………………………………………………………………………….

(c) The production Manager giving instructions to the Secretary of the Sales Manager.

……………………………………………………………………………………….

(d) The Storekeeper giving explanations to the chief Accountant.

……………………………………………………………………………………….

1. List **FOUR** books of original entry that may be used to record transactions affecting stock.

(4 marks)

1. ................................................................................................................................................................................................................................................................................................................
2. ................................................................................................................................................................................................................................................................................................................
3. ................................................................................................................................................................................................................................................................................................................
4. ................................................................................................................................................................................................................................................................................................................
5. Highlight **four** ways in which an entrepreneur can improve the internal environment of his business. (4 marks)
6. ..........................................................................................................................................................................................................................................................................................................
7. ..........................................................................................................................................................................................................................................................................................................
8. ..........................................................................................................................................................................................................................................................................................................
9. ..........................................................................................................................................................................................................................................................................................................
10. Outline **FOUR** characteristics of ordinary shares (4 marks)
11. ..........................................................................................................................................................................................................................................................................................................
12. ..........................................................................................................................................................................................................................................................................................................
13. ..........................................................................................................................................................................................................................................................................................................
14. ..........................................................................................................................................................................................................................................................................................................