**KITUTU CENTRAL JOINT EXAMINATION**

**Kenya Certificate of Secondary Education**

 **FORM 4, TERM 2, 2021**

**565/1 BUSINESS STUDIES Paper 1**

**DECEMBER 2021 – TIME: 2 Hours**

**Name**: ……………………………………….....………….**Adm** **No**: ……….……

**Class**: ………………**Candidate’s** **Signature**: …………...…**Date**: …..…/12/2021

**Instructions to Candidates**

1. *Write your name and index number in the spaces provided above.*
2. *Sign and write the date of the examination in the spaces provided above.*
3. *This paper consists of* ***25*** *questions.*
4. *Answer ALL questions in the spaces provided*
5. *This paper consists of* ***11*** *printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing*
6. *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** economic environmental factors that may positively influence operations of a business (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. Mention **four** factors that may inhibit the mobility of labour as a factor of production (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. The following are descriptions of forms of office etiquette. Give the name of the office etiquette described (4 marks)

|  |  |
| --- | --- |
| **Description** | **Appropriate term** |
| 1. Ability to keep time in attending duties, appointments and meeting time lines
 |  |
| 1. Ability to convince others tactfully
 |  |
| 1. Ability to tell the truth and being sincere
 |  |
| 1. Ability to handle people politely, pleasantly and with consideration
 |  |

1. Mention **four** activities that are carried out at the stock exchange market

 (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. Outline **four** emerging issues in the transportation sector in Kenya (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. The following information relates to Kenyanya Telecoms on 31st January 2018:

Opening stock 40,000

Purchases 480,000

Gross profit 100,000

Mark-up 25%

 Calculate:

1. Closing stock. (2 marks)

1. Rate of stock turnover for the year. (2 marks)

7. Citing relevant examples in each case, distinguish between:

1. Substitute and complementary products (2 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. Derived and Joint demand (2 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

8. a) Use the data given below to sketch demand and supply curve (2 marks)

|  |  |  |
| --- | --- | --- |
| Price(shillings) | Quantity demanded | Quantity Supplied |
| 5 | 100 | 10 |
| 10 | 80 | 20 |
| 15 | 60 | 30 |
| 20 | 40 | 40 |
| 25 | 50 | 50 |

b) State reason why the demand curve slopes negatively (2 marks)

**……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………....**

9. State the effect of the following transactions on the totals of the balance sheet

 (4 marks)

|  |  |
| --- | --- |
| **Transaction** | **Effect on Balance sheet totals** |
| 1. Borrowed a loan of Sh. 200,000 in cash from a bank
 |  |
| 1. An old piece of furniture valued at

Sh 15,000 was disposed at Sh. 10,000 |  |
| 1. Stock of goods worth sh. 5,000 was sold on credit
 |  |
| 1. Owner used Sh. 25,000 private money to buy stock for resale
 |  |

10. List **four** source documents used for recording transactions in trade (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

11. Highlight **four** reasons why a government imposes taxes on her citizens and business organizations (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

12. **Name the type of business that matches each of the following description ( 4mks)**

1. It has a separate legal entity from the owners………………………………
2. It is governed by by-laws …………………………………..
3. It is formed by more than one person but less than 20 persons……………...
4. Its existence is largely dependent on the owner……………………………..

13. Outline the difference between economic growth and economic development

(4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

14. Highlight **four** ways through which the government can facilitate the satisfaction of human wants in the economy. (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

15. The balances below relate to TeleTele Traders for the year ended 31st December 2018.
5-year Bank loan Sh. 250,220
Bank overdraft Sh. 105,020
Premises Sh. 420,000
Stock Sh. 105,220

Cash at bank Sh. 35,500

Determine the following
i.) Working capital (2 marks)

ii.) Capital employed (2 marks)

16. Outline benefits Kenya gets from its economic resources. (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

17. State **four** methods that are used to promote the sales of a business enterprise

 (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

18. State **four** characteristics of a time-deposit account as offered by commercial banks (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

19. Highlight **four** measures a country can take to correct her balance of payment deficit (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

20. Mention **four** problems that a country with a declining population is likely to experience. (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. Highlight **four** ways in which the use of Information Communication Technology has facilitated the growth of business activities in Kenya today. (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. The following items relate to the books of Mwalimu Enterprises as at 30th June, 2019.

Purchases 101,100

Stock 4,000

Sales 95,000

Return outwards 7,500

General Expenses 5,200

Debtors 10,500

Capital 88,300

Land 70,000

Extract Mwalimu Enterprises trial balance. (4 marks)

1. Highlight **four** characteristics of hypermarkets (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

1. Clearly state **four** differences between oligopoly market structure and perfect market competition. (4 marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**

25. State **four** reasons why development planning is necessary for a country. (4marks)

**………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………**