

Student Name.....Adm No.....

School.....Class.....Date.....

565/1

**BUSSINES STUDIES**

**PAPER 1**

**TERM ONE 2022**

**TIME: 2 Hours**



# **CEKENAS END OF TERM ONE EXAM-2022**

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

565/1

**BUSINESS STUDIES**

**PAPER ONE**

**TIME 2 Hrs**

## **INSTRUCTION**

- 1.) *Write your name, class, Admission number and name of your school in the spaces provided*
- 2.) *Answer all questions*
- 3.) *This paper consists of 25 questions*
- 4.) *All your answers must be written in the spaces provided in the question paper*

**For Examiners Use Only**

<b>QUESTIONS</b>	1	2	4	5	6	7	8	9	10	11	12	14	14
<b>MARKS</b>													

<b>QUESTIONS</b>	15	16	17	18	19	18	19	20	21	22	23	24	25
<b>MARKS</b>													

**TOTAL SCORE**

1.) Outline **Four** sources of government revenue (4mk)  
i).....  
ii).....  
iii).....  
iv).....

2.) State **Four** reasons why consumer should satisfy basic wants before secondary wants (4mks)  
i).....  
ii).....  
iii).....  
iv).....

3.) Give **Four** reasons why consumers need protection (4mks)  
i).....  
ii).....  
iii).....  
iv).....

4.) Outline **Four** factors that transaction motive depend on (4mks)  
i).....  
ii).....  
iii).....  
iv).....

5. Outline **Four** gaps that may influence an entrepreneur in the market (4mks)  
i).....  
ii).....  
iii).....  
iv).....

6. The following balances were extracted from the books of Kombo Traders for the year ended 31<sup>st</sup> Dec 2021

	Shs.
Sales	500,000
Purchases	320,000
Stock 31,12,21	40,000
Stock 1,1,2	80,000
Debtor	140,000
Creditors	90000

Calculate

a) Margin (2mks)

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b.) Current ratio (1mk)

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c.) Rate of stock turnover (1mk)

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7.) State **Four** benefit of indirect production to the society (4mks)

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

8.) Mention **Four** transaction that are recorded in the general journal (4mks)

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

9.) State the use of the following documents used in home trade (4mks)

(i) Proforma invoice  
.....  
.....

(ii) Quotation  
.....  
.....

(iv) Advice note

.....  
.....

(v) Credit note

.....  
.....

10. Outline **Four** benefits of communication to a business (4mks)

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

11. State **Four** aspects of office etiquette that an office worker should possess in order to do his/her duties effectively and efficiently (4mks)

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

12. Prepare a trial balance from the following balances extracted from the books of Ojwang's business on 30<sup>th</sup> June 2006 (4mks)

	Shs.
Capital	80,000
Cash	53000
Furniture	10000
Purchases	15000
Sales	8000
Rent	6000
Salaries	9000
Bank loan	5000

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13.) Outline **Four** internal environmental factors that positively influence the operations of a business (4mks)

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

14.) Outline **Four** ways in which households contribute to the national income of a country (4mks)

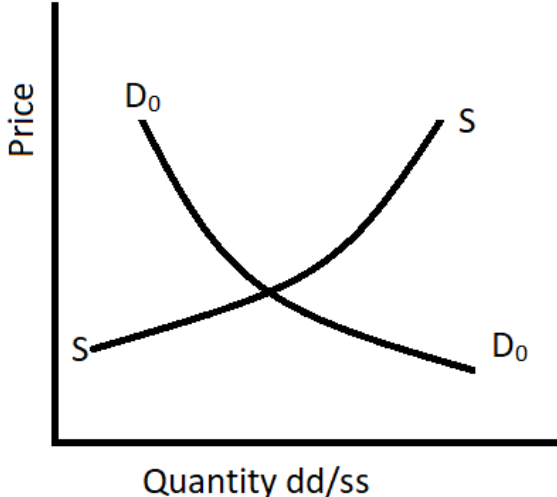
- i).....
- ii).....
- iii).....
- iv).....

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.....  
.....  
.....

15.) State **Four** ways in which nature of goods would influence the choice of transport (4mks)

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

16.) The graph below represents the demand and supply curves of milk



State **Four** effects of a shift of the demand curves to the left (4mks)

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

17. List **Four** benefits of a bonded warehouse to the government (4mks)

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

18. This following figures relate to the Jumbo trader for the year ended 31/12/13

Details	Shs
Capital 31/10/13	940000
Net loss	20000
Additional investments	420000
Monthly drawings	5000

Determine the capital as at 1/1/2013 (4mks)

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19. Highlight **Four** factors that should be considered when deciding on the method to use to promote a firms products (4mks)

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

20. In the spaces provided below indicate with a tick whether each of the following statements relate to preferences of ordinary shares (4mks)

Statement	Preferences shares	Ordinary shares
a.) Represent ownership		
b.)Rate of dividend is fixed		
c.)Has voting rights		
d.)Considered, first in liquidation		

21. Highlight **Four** benefits of locating firms in different parts of the country (4mks)  
i).....  
ii).....  
iii).....  
iv).....
22. Highlight **Four** factors that determine country's Fertility (4mks)  
i).....  
ii).....  
iii).....  
iv).....
23. Highlight **Four** circumstances under which a manufacturer may prefer to sell goods directly to the consumers (4mks)  
i).....  
ii).....  
iii).....  
iv).....
24. Highlight **Four** features of a monopoly (4mks)  
i).....  
ii).....  
iii).....  
iv).....
25. State the principle of insurance to which of the following statements relates (4mks)  
a.) There is a close connection between the cause of loss and the actual risk insured against, for the compensation to be effected.  
.....  
b.) A person can only insure property whose destruction would result to a financial loss to him/her  
.....  
c.) Restoring the insured to the financial position he/she was in, just before the risk occurred  
.....  
d.) Once an insured is fully compensated for loss suffered, the insured is not supposed to gain out of the loss  
.....

**THIS IS THE LAST PRINTED PAGE!**

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