

BUNAMFAN CLUSTER EXAMINATION - 2022

Kenya Certificate of Secondary Education

565/1 – BUSINESS STUDIES – Paper 1

June 2022 - 2 hours

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

Class..... Date.....

INSTRUCTIONS TO CANDIDATES

- i. Write your name and admission number in the space provided above.
- ii. Answer all the questions in the spaces provided in the question paper.
- iii. This paper consists of 9 printed pages
- iv. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no question is missing.
- v. Candidates should answer the questions in English.

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												

TOTAL SCORE

1.Highlight three benefits of business to a society.(3 marks

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

2.State four advantages of locating a firm near the source of raw materials.(4 marks)

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

3.Highlight four trends in communication. (4 marks)

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

4.Outline four advantages of a rapidly growing population. (4 marks)

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

5. Outline four ways through which peace within a country benefits a business.(4 marks)

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

6.Primary level is the major contributor of gross domestic product in developing countries as compared to other levels of production.State four reasons for this.(4 marks)

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

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7.State four advantages of using intermediaries in the distribution of goods.(4 marks)

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

8.Highlight four differences between acooperative societies and private limited company. (4 marks)

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

9.State four advantages of using modern technology in an office. (4 marks)

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

10. The following information was extracted from the books of Venus traders as at 31st December 2020:

Details	shs
5 years loan	256,700
Land	120,000
Cash	24,600
Creditors	37,400
Building	430,500

Prepare Venus traders balance sheet as at 31st December 2020.(4 marks)

11. Outline four factors that may hinder geographical mobility of labour. (4 marks)

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

12. The following relate to Furaha Traders for the year 2020

i) closing capital (31.12.2020) sh 300,000

ii) the owner converted his personal computer valued at sh 35,000 into business use.

iii) the owner had withdrawn goods worth sh 40,000 for personal use.

iv) incurred losses amounting to sh 65,000

Determine Furaha Traders initial capital on (1.01.2020). (4 marks)

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13. For each of the following source documents, indicate the book of original entry: (4 marks)

Source document	Book of original entry
Received receipt	
Incoming invoice	
Outgoing credit note	
Incoming cash sale slips	

14. Highlight four measures that a government may take to reduce the mortality rate in a country. (4 marks)

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

15. The following balances were extracted from the books of Mavuno Traders for the year ended 31st march 2021.

Gross profit.	186,200
Discount allowed.	7,400
Carriage outwards.	13,500
Rent received.	34,300
Office expenses.	19,600
Salaries.	57,000

Prepare a profit and loss for the ended 31st march 2021(5 marks)

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16.State four factors that determine the amount of money held for precautionary motive.
(4 marks)

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

17.State four methods of sale promotion a business may adopt.(4 marks)

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

18.State four reasons why consumers have to make a choice between competing needs.(4 marks)

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

19. Identify the retailers described in the statement given below (4marks)

Statement	Retailers
a)sell goods by displaying them along the street	
b)move from one place to another on foot selling their products	
c)Dispenses goods with the use of coins operated machines.	
d)Meet on designated days in open ground to sell their goods.	

20.State four ways a business can use to motivate it's work force.(4 marks)

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

21. List four types of businesses activities. (4 marks)

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

22. Highlight four benefits of selling goods online. (4 marks)

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

23. Identify four circumstances under which an insurance contract may be terminated. (4 marks)

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

24. State four characteristics of a successful entrepreneurs. (4 marks)

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

25. Show the effect of each of the following transaction to capital, assets and liabilities indicating if its increasing(+), decreasing(-) or nil(0). (4 marks)

Transaction	Capital	Asset	Liability
a) Converted private house into business premises			
b) Paid creditors in cash			
c) Sold a business car valued at sh 400,000 for sh 300,000 on credit			
d) Sold goods on credit			

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