

NAME: INDEX NO.:

SCHOOL:ADM. NO.: CLASS:

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HRS 30 MIN

KASSU EXAMINATION 2023
Kenya Certificate of Secondary Education
BUSINESS STUDIES (PAPER 1)
FORM 4

Instructions to Candidates

- Write your name, admission number, class and index number above.
- Answer **all** the questions.
- All answers must be written in the spaces provided.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	8	9	10
Marks										

Question	11	12	13	14	15	16	17	18	19	20
Marks										

Question	21	22	23	24	25
Marks					

**GRAND
TOTAL**

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1. Outline **four** ways in which economic environment may positively influence a business. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

2. A business opportunity exist where they are gaps to be filled in the needs of the market. Identify **four** such gaps. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

3. Outline **four** ways in which introduction of SGR from Mombasa to Nairobi has boosted trade within the country. **(4 marks)**

- (a)
.....
- (b)
.....
- (c)
.....
- (d)
.....

4. State **four** benefits that an individual may get by studying business studies.

- (a)
-
- (b)
-
- (c)
-
- (d)
-

5. State **four** differences between commercial banks and non-bank financial institutions.

	Commercial bank	Non-bank financial institution
(a)		
(b)		
(c)		
(d)		

6. The following figures relate Mambo Leo Traders for the year ended 31st December 2022.

<u>Details</u>	<u>Ksh.</u>
Capital (31 st December 2022)	1,000,000
Profit	20,000
Additional Investment	200,000
Monthly drawings	10,000

Determine the capital as at 1st January 2022.

7. State **four** rules for recording transactions in ledger accounts. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

8. Mention **four** types of indirect tax. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

9. State **four** characteristics of land as a factor of production. **(4 marks)**

- (a)
-
- (b)
-
- (c)
-
- (d)
-

10. Define the following trends in forms of business ownership. **(4 marks)**

(a) Cartels

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

(b) Check-off system

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

(c) Globalization

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

(d) Franchising

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

11. Outline **four** factors which may hinder development of a country. **(4 marks)**

(a)

(b)

(c)

(d)

12. Outline **four** external economies of scale that a firm experience when operating on a large scale. **(4 marks)**

(a)

(b)

(c)

(d)

13. The following figures relate to the retail business of John traders for the month of January 2021.

Sales	100,000
Cost of goods sold	80,000
Expenses were 10% of sales	

Calculate:

Mark – up

Margin

Total expenses

Net profit

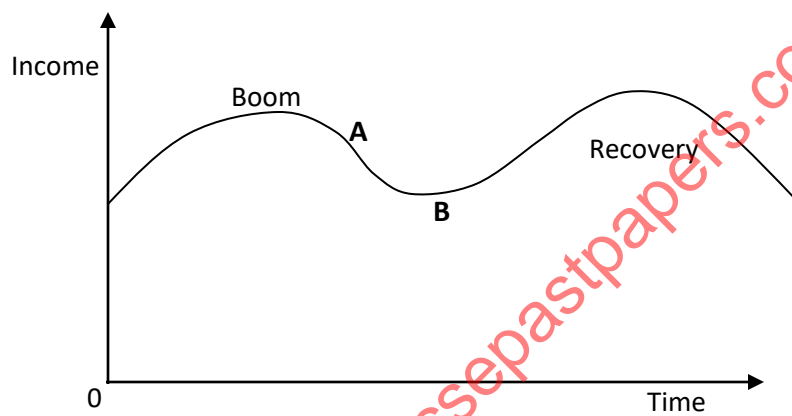
(4 marks)

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14. Bartek Beauty Company intends to venture into flower business. Highlight **four** factors they would consider when promoting the product. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

15. The diagram below illustrates cyclical in unemployment.



(a) Identify parts marked A and B. **(2 marks)**

- A
- B

(b) Give **two** possible solutions to a country experiencing the above unemployment. **(2 marks)**

- (i)
- (ii)

16. Classify the following resources as either renewable or non-renewable by putting a tick in the correct place. **(4 marks)**

	Resources	Renewable	Non-renewable
(a)	Shoes		
(b)	Natural gas		
(c)	Soda ash		
(d)	Building stones		

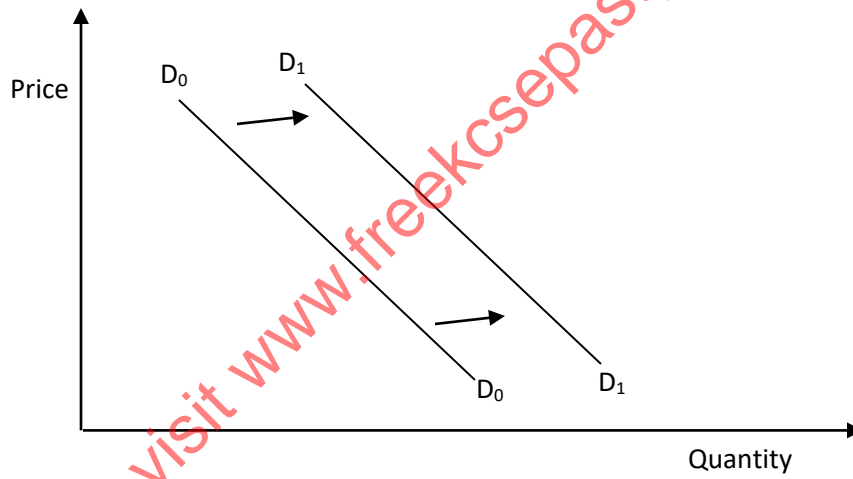
17. Highlight **four** features of a departmental store. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

18. State **four** merits of face to face communication. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

19. Study the diagram below.



State **four** causes of the above trend. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

20. Highlight **four** factors that may lead to an increase in National income of a country. **(4 marks)**

- (a)
- (b)
- (c)
- (d)

21. Rafiki Traders had the following ledger account balances as at 31st December 2020 **(5 marks)**

Details	Shs.
Purchases	30,000
Sales	50,000
Return outwards	2,000
Return inwards	500
Debtors	16,000
Wages	8,000
Creditors	3,000
Drawings	4,000
Capital	

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22. Identify the books of original entry in which the following transactions are recorded.

	Transaction	Book of original entry
(a)	Bought goods on credit worth sh. 10,000 from Kamau	
(b)	Sold furniture worth sh. 18,000 to Koech on credit.	
(c)	Received a credit note worth sh. 5,000 from Jebet	
(d)	Paid Koech sh. 20,000 cash	

23. State **three** motives for holding money. **(3 marks)**

- (a)
- (b)
- (c)

24. Identify the documents described below as used in international trade.

	Description	Type of inflation
(a)	Enables the importer to get goods on credit	
(b)	Shows that the prices charged on goods imported are fair.	
(c)	Shows the shipping charges of goods	
(d)	Written by the exporter to his/her bank authorizing resale of goods being exported after failure by the importer to honour a bill of exchange.	

25. The table below shows the average consumer price for 1 kg of sugar for various years.

Year	Consumer price (Ksh.)	Consumer price index
2019	80	100%
2020	100	
2021	120	
2022	150	
2023	200	

Calculate the consumer price index using 2019 as the base year. **(4 marks)**