

KASSU JET EXAMINATION
Kenya Certificate of Secondary Education.

565/1

BUSINESS STUDIES

Paper 1

June, 2023 – 2 hours

Name: Adm No.: Class

Candidate's Signature: Date:

Instructions to Candidates

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided.
- (c) Answer **all** the questions.
- (d) All answers must be written in the spaces provided in this booklet.
- (e) Do not remove any pages from this booklet.
- (f) **This paper consists of 9 printed pages.**
- (g) **Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

For Teacher's Use Only

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

16	17	18	19	20	21	22	23	24	25

**TOTAL
MARKS**

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1. State **four** demographic factors that may positively influence business operations. (4mks)

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2. Outline **four** factors that determine the amount of money one would hold for precautionary motive. (4mks)

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3. Outline **four** advantages of a bonded warehouse to the Government. (4mks)

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4. Describe the following terms. (4mks)

a). Firm

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b). Industry

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c). Localization of firms.

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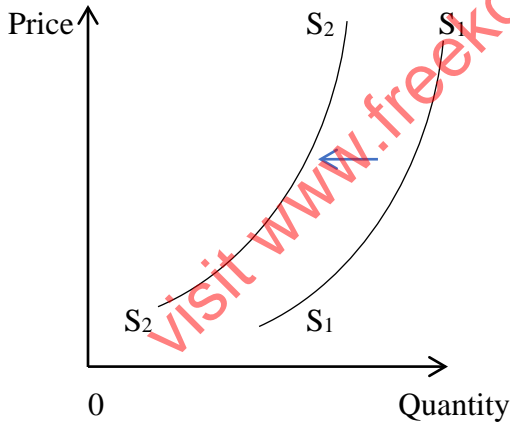
d). Diseconomies of scale.

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5. State **four** benefits Kenya would get as a result of exploiting her natural resources. (4mks)

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6. The curve below shows shift in supply curve.



State **four** factors that may have contributed to the shift from S_1 to S_2 . (4mks)

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7. Highlight **four** reasons for the increasing popularity of savings and credit co-operative societies (SACCO's) in Kenya. (4mks)

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8. The following information was extracted from the records of Mali Mali traders for the period ending 31st December 2022.

Margin	25%
Stock (01/01/2022)	90,000
Stock (31/12/2022)	30,000
Turnover	680,000

- Required:** Prepare a Trading account (4mks)

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9. State **four** differences between direct and indirect production. (4mks)

Direct Production	Indirect Production
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10. The following is a list of ledger accounts. Name the ledger book in which they are maintained. (4mks)

	Account	Ledger book
a)	Drawings	
b).	Kamau (Customer)	
c)	Sales	
d).	Machinery	

11. Identify the line of communication that suits the statements given below. (4mks)

- a) Bank manager giving instructions to the bank teller.
- b) A class teacher seeking clarification from the school principal.....
- c) Accounts manager of Portland cement factory talking to accounts clerk of Bamburi cement factory.....
- d) Head of mathematics department communicating with head of humanities department in Simba high school.....

12. Highlight **four** characteristics of a monopoly market structure. (4mks)

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13. As an entrepreneur, State **four** personal factors you would consider when evaluating a business opportunity. (4mks)

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14. Outline **four** reasons for the popularity of using motorcycles in the transport sector.

(4mks)

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15. The following information relates to Taptok traders as at December 2022.

Details	Kshs
Drawings	140,000
Added investment	1,000,000
Capital (01/01/2022)	6,000,000
Capital (31/12/2022)	6,500,000

Calculate Taptok's profit/loss for the year.

(4mks)

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16. State **four** ways through which consumers can protect themselves from unscrupulous traders.

(4mks)

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17. Outline **four** factors that may influence the choice of a channel for distributing milk in a market. (4mks)

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18. In the table below, indicate the appropriate source document that may provide information to be recorded in the following books of original entry. (4mks)

Book of original entry	Source document
a). Purchases day book	
b). Sales journal	
c). Sales return journal	
d). Cash payment journal	

19. Outline **four** reasons why online advertising would be preferred by a trader. (4mks)

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20. Outline **four** circumstances under which an enclosed office layout would be appropriate. (4mks)

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21. Highlight **four** components to include when measuring National income using income approach. (4mks)

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22. Briefly, explain the meaning of the following terms as used in insurance. (4mks)

a). Risk

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b). Policy

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c). Annuity.

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d). Claim.

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23. Fill in the missing figures in the table below. (4mks)

	Fixed Assets	Current Assets	Capital	Liabilities
a)	275,500	a).	315,000	115,500
b)	182,000	73,600	b).	217,100
c)	c).	76,400	123,100	91,900
d)	313,450	211,340	189,170	d).

24. Highlight **four** factors a seller would consider before giving credit to a customer. (4mks)

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25. The average consumer price for 1kg of sugar for various months in the year 2023 is shown below.

Month	Consumer price (Ksh)
January	110
February	120
March	130
April	170
May	200

Using January, 2023 as the base month, calculate the consumer price index for the month of February, March, April and May. (4mks)

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