# Nyaraya Cluster Examination

**Kenya Certificate of Secondary Education**

**Form Four Mock Evaluation Programme**

**565/1- BUSINESS STUDIES- PAPER 1**

**JULY 2023- 2 hours**

**NAME…………………………………………………………………………..ADM NUMBER……………………..**

**SCHOOL……………………………………………….STREAM……………………………SIGN……………………**

**INSTRUCTIONS TO CANDIDATES.**

1. Write your name, admission number and stream in the spaces provided above.
2. This paper consists of 25 questions. Check to ascertain that all pages are printed as indicated and that no question is missing.
3. Candidates should answer all questions in the spaces provided in English.

**FOR EXAMINERS USE ONLY.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **QUESTION** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** |
| **SCORE** |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| **QUESTION** | **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
| **SCORE** |  |  |  |  |  |  |  |  |  |  |  |  |

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| **TOTAL SCORE** |
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1. Name four forms of economic integration. (4 marks)

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1. Outline four reasons that may lead to slow growth of entrepreneurship in Kenya. (4 marks)

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1. In the table given below, indicate using a tick whether each of the following factors influence demand or supply of a commodity. (4 marks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | FACTOR | DEMAND | SUPPLY |
| a | Change in number of firms in the industry. |  |  |
| b | Change in levels of income. |  |  |
| c | Change in population. |  |  |
| d | Change in cost of production. |  |  |

1. Joyce Pauline, a newly employed teacher, has joined Mwalimu Sacco in Kisumu. Outline four benefits she will get as a result of her membership. (4 marks)

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1. State four factors that should be considered when choosing a method of producing documents.

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1. List four types of terminals in transport. (4 marks)

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1. Outline four challenges that may be faced by a country whose population is largely made up of a young population. (4 marks)

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1. Highlight four reasons that make it necessary for a country to have a development plan. (4 mks)

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1. The table below contains levels of production and occupations under each level. Complete the table by writing the appropriate business activity at each level. (4 marks)

|  |  |  |
| --- | --- | --- |
| LEVEL | BUSINESS ACTIVITY | OCCUPATION |
| Primary | (a)……………………………………………………………… | Quarrying, fishing. |
| Secondary | (b)………………………………………………………………(c)…………………………………………………………….. | Flour milling, oil refining.Baking, textile making. |
| Tertiary | (d)……………………………………………………………… | Hairdressing, communication. |

1. The balance sheet prepared Caldera Traders on 1st January, showed capital of Sh. 420,000. During the year ended 31st December 2022 it was found that:-

(a)Additional investment was Sh. 150,000.

(b)Drawings were Sh. 130,000.

(c)Profits realized by the business was Sh. 210,000.

**Required.**

Determine Caldera’s capital on 31st December, 2022. (4 marks)

1. State four ways of differentiating products under monopolistic competition. (4 marks)

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1. Highlight four measures that may be put in place to control demand pull inflation. (4 marks)

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1. State the term given to each of the following forms of advertising. (3 marks)

|  |  |  |
| --- | --- | --- |
|  | DESCRIPTION | TYPE OF ADVERTISING |
| a | Creates awareness of a product to potential clients about entry of the new product into the market.  |  |
| b | Promotes a particular brand of a product where the brand name features more prominently.  |  |
| c | Persuades customers to buy the product implying that the product is better than any other in the market. |  |

1. Highlight four ways through the government can ensure a clean environment. (4 marks)

(a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. State four internal economies of scale that a firm may experience. (4 marks)

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1. Mazeras Traders had the following account balances as at 30th June, 2023.

 **Sh. Sh.**

Cash at bank……………………42,600 Furniture…………………………….5,000

Capital……………………………..90,000 Purchases………………………….46,000

Sales……………………………..…40,000 Musa (debtor)…………………..…2,650

Advertising expense…………..400 Wakesho (creditor)………………1,400

Purchases returns………………600 Cash in hand……………………...28,000

Sales returns………………………350 Drawings………………………………7,000

**Required.**

Prepare Mazeras Traders trial balance as at 30th June, 2023. (5 marks)

1. Highlight four disadvantages to a customer who operates a fixed deposit account. (4 marks)

(a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Explain the entries on 5th and 9th in the two column cash book given below. (4 marks)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Details** | **Folio** | **Cash** | **Bank** |  | **Date** | **Details** | **Folio** | **Cash** | **Bank** |
| 2023 |  |  | Sh. | Sh. |  | 2023 |  |  | Sh. | Sh. |
| April 5 | Balance |  | 2,500 |  |  | April 5 | Balance |  |  | 4,000 |
| April 8 | Sales |  | 7,200 |  |  | April 9 | Bank | C1 | 6,300 |  |
| April 9 | Cash | C1 |  | 6,300 |  |  |  |  |  |  |

**April 5th**

(a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(1mark)

(b)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(1 mark)

**April 9th**

(c)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(2marks)

1. Outline four advantages of mail order businesses. (4 marks)

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1. Outline four circumstances under which the government may find it necessary to participate in business activities. (4 marks)

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1. Outline four reasons why it is necessary to have an interviewee appear personally before an interviewing panel during job interviews. (4 marks)

(a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Highlight four uses of a general journal. (4 marks)

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1. The table below contains descriptions of terms used in public finance. Write the appropriate term that best fits each description. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | DESCRIPTION | TERM USED |
| a | An indirect tax charged on certain goods and services produced for domestic use. |  |
| b | A major part of government spending made to people who are not productive in economic sense. |  |
| c | Is a tax paid to the government by individuals during sale and transfer of land and real estate. |  |
| d | This is revenue that is borrowed to finance activities that do not generate any revenue, for example, recurrent expenditure. |  |

1. Highlight four characteristics of general insurance. (4 marks)

(a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. State four types of spending that are considered when measuring the national income of a country using expenditure approach. (4 marks)

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