

2017 KCSE JKIM joint examination paper
Business paper 1 Question paper
Answer all questions in this section in the space provided

1. Highlight four features of effective communication (4marks).

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

2. List any four expenses a middle man would incur in the chain of distribution. (4marks).

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

3. Identify four factors that may lead to an increase in the level of national income of a country. (4marks).

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

4. State five circumstances under which photocopying may be used to reproduce documents in a School (5marks).

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

5. Name three uses of two- column cash book. (3marks)

- (i).
- (ii).
- (iii).

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6. Give four reasons why one would prefer a partnership instead of a sole proprietorship. (4marks)

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

7. State four factors that determine the size of the firm (4marks)

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

8. Highlight four features of effective communication (4marks)

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

9. Prepare the sales returns journal of Kalama Traders from the transactions shown below which relate to the month of December 2015(4marks)

Dec 1st Otieno returned goods worth Shs 1,300 credit note no. 214

Dec 5th Onyilo returned goods worth Shs 300 (credit note no. 213)

Dec 10th Issued a credit note No. 216 to Shah, a customer to correct

An error in the invoice earlier sent to him for Shs 1,630

Dec 14th Mr. Edwin returned part of the goods sold to him in exchange

Of what he required via credit note no. 217 of Shs 913.

10. Outline four measures a country may take to reduce imports. (4marks)

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

11. State four ways in which the insurance industry promotes growth of business enterprises. (4marks)

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

12. Highlight four negative implications of a rapid population and growth in developing countries. (4marks)

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

13. Highlight four external factors that may negatively influence the operations of a business. (4marks)

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

14. Give four reasons why a manufacturing firm may offer after sale services to its customers. (4marks)

- (i).

- (ii).
- (iii).
- (iv).

15. Classify the following resources as either renewable or non-renewable (5marks)

Names	Renewable	Non-renewable
wood		
coal		
stove		
Silk and iron.		
soda ash,		

16. Give four reasons why a high rate of inflation is undesirable to a country. (4marks)

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

17. Highlight four roles played by intermediaries in the distribution channel. (4marks)

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

18. Give four features that differentiate a bill of exchange from a cheque. (4marks)

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

19. State the books of original entry in which each of the following transactions would be recorded.

Transactions	Books of original entry
Bought a machinery on credit	
Received sh. 40,000 from mwai a debtor	
Returned goods previously bought on credit	
Sold goods worth sh. 20,000 on credit to Samuel	

d)

20. State four factors to be considered when choosing means of reproducing documents. (4marks)

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

21. State four features of public goods/services. (4marks)

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

22. Highlight four limitations of adopting a new technology in business. (4marks)

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

23. State four problems that consumers may face as they to satisfy their wants. (4marks)

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

24. List four types of warehouses. (4marks)

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

25. The following balances were extracted from the books of Alice investments on 1st Dec 2011.

Debtors	1,900,000
Creditors	100,000
Prepaid rent	85,000
Bank	820,250
Cash	750,000
Bank Loan	2,700,000
Fixed Assets	214,000
Stock	70,000

Required:

Prepare Alice investment balance sheet as at 31st December 2011. (4marks)