

**KCSE 2017 JKIM JOINT EXAMINATION**

**Business paper 1 question paper**

**Instructions: Attempt ALL questions in the space provided in this sheet.**

**1. Highlight four demerits of using boda boda s as a means of transport. (4 marks)**

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

**2. Highlight four reasons why a consumer have to make choices between competing wants (4 marks)**

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

**3. Outline four characteristics of departmental store. (4 marks)**

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

**4. State four uses of a trial balance to a business. (4 marks)**

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

5 .Identify the types of advertising described in the statements given below.

Description	Types of advertisement
a) Create awareness about a product.	
b) Persuades potential customers to buy a particular brand of a product.	
c) Promotes a particular brand of a product	
d) Promotes the name of the manufacturer.	

6. Outline four negative effects of business operations on the environment. (4 marks)

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

7. A group of businessmen from a certain town have formed a cartel. State four reasons that could Have led them to take such an action. (4 marks)

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

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

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

9. Outline four reasons that Kenya would get for being a member of a trading block. (4 marks)

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

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

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

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

11. Open appropriate ledger accounts and Record the following transactions.

- 1<sup>st</sup> Feb 2004: Koech started a shop business with Shs 110,000 and cash and Shs 120,000 in bank
- 3<sup>rd</sup> Feb 2004: bought goods Shs 60,000 by cheque
- 12<sup>th</sup> Feb 2004: paid Shs 11,000 for salaries in cash
- 13<sup>th</sup> Feb 2004: paid john shs.10, 000 by cheque

.....

.....

.....

.....

.....

.....

.....

.....

12. State four factors that may hinder the expansion of small business enterprises. (4 marks)

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

13. State the term given to each of the following disciplines

I. Study of how man strives to satisfy his unlimited wants using the limited resources

II. Study of the process of identifying a business opportunity and acquiring resources to start and Operate a business.

III. Study of trade and aids to trade.

IV. Refers to a systematic way of recording business activities which are used for decision making.

14. State four causes of cost push inflation. (4 marks)

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

15. Name four sources of monopoly power. (4 marks)

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

16 outline four advantages of operating a small business as a sole trader. (4 marks)

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

17 .kimemia who is business student in your school and want to know the benefits he gets for studying business studies. Give him four benefits for studying business. (4 marks)

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

19. Kirwa traders had the following balances as at 31<sup>st</sup> July 2010.

Details	Shs.
Opening stock	800,000
Closing stock	1,000,000
Sales	3,250,000

Given that the rate of stock turnover is 3,

Calculate the gross profit (4 marks)

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

20. State three uses of journals. (3marks)

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

21. Highlight four drawbacks of pipeline transport. (4 marks)

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

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

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

23. On 1st April, 2012 Katuma received an invoice for Shs. 30,000. Terms of payment were:

Trade discount 5% and cash discount 10%. If payment is made within 30 days.  
 Determine the amount paid if payment was made on 26th April 2012. (4 marks)

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

24. Outline four factors that would lead to localization of firm. (4 marks)

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

25. The information below shows average prices of both export and imports in the years 2014 and 2015.

YEAR	AVERAGE IN EXPORT PRICE IN MILLIONS (Shs)	AVERAGE IMPORT PRICE IN MILLIONS (Shs)
2014	520	4,400
2015	580	6,200

Determine terms of trade for year 2015. (4marks)

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