

KCSE 2017 JKIM JOINT EXAMINATION

Business paper 1 question paper

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

1. Highlight on four factors that may bring about improved national income of our country Kenya. (4 marks)

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

2. Rain water and cloth are basic human wants. State three characteristics of rain water that Makes it different from a cloth. (4 marks)

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

3. List four documents which are required to be filled with the registrar of companies to facilitate Registration of limited liability companies. (4 marks)

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

4. State four reasons that may account for the existence of oligopoly markets. (4 marks)

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

5. Classify the following costs into either fixed or variable costs.

- a. Rent.....
- b. Raw materials.....
- c. Fuel consumed.....
- d. Insurance property.

6. Apart from government borrowing, outline four other sources of government revenue. (4 marks)

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

7. Outline four factors to be considered when choosing a channel of distribution. (4 marks)

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

8. Give three reasons that make insurance companies decline to insure acts of nature. (3 marks)

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

9. Give four merits of a current bank account. (4 marks)

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

10. Fill the table below by using accounting equation. (4 marks)

| Liability | capital | Assets |
|-----------|---------|---------|
| J | 34,050 | 125,130 |
| 155 | 15,200 | K |
| 23,300 | L | 77,070 |
| M | 67,000 | 88,888 |

J.....
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K.....
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L.....
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M.....
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11. State four characteristics of chain store. (4 marks)

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

12. Highlight four advantages of government involvement in business activities. (4 marks)

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

13. State four indicators of business threats. (4 marks)

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

14. Outline four disadvantages of devaluing a country's currency. (4 marks)

- (i).

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

15. State four advantages of an open office plan. (4 marks)

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

16. State four measures that Kenya government may take to attract firms to an area. (4 marks)

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

17. Outline four basic points an entrepreneur considers when formulating a business idea. (4 marks)

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

18. Outline four reasons for the continued use of human porter age today despite the advancement in Transport technology. (4 marks)

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

19. State four ways in which the utility of a commodity can be increased. (4 marks)

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

20. Outline four principles of economic planning. (4 marks)

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

21. Identify any four barriers to international trade that are imposed by governments. (4 marks)

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

22. The table below shows the description and the category of inflation. Fill in blank spaces the Category of inflation described. (4 marks)

| Description | Category |
|--|----------|
| (i) Has no effect on the output, employment or income distribution | |
| ii) A period of high inflation and high unemployment | |
| (iii) The government can prevent it by using deliberate measures. | |
| (iv) Prices increase at steady rate over time | |

23. Outline four features of a re-insurance company. (4 marks)

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

24. Under what three circumstances would a trader allow a customer to pay cash on delivery? (4 marks)

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

25. Rehema had the following balances at the end of the trading period 30th June 2015.

| Details. | Shs |
|----------|---------|
| Cash | 140,000 |

| | |
|-----------------|---------|
| Creditors | 240,000 |
| Premises | 500,000 |
| Fixtures | 200,000 |
| Insurance owing | 260,000 |
| Prepaid rent | 140,000 |
| Debtors | 140,000 |

Prepare Rehema balance sheet as at 30t June 2015. (5marks)

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