

KCSE 2017 JKIM JOINT EXAMINATION

565/1

Business paper 1 Question paper

Time: 2 hours

Instructions: Answer ALL questions in the space provided.

1. Highlight four challenges encountered in satisfaction of human wants. (4 marks)

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

2. Outline four benefits that many accrue to a firm as a result of increase in its scale of production. (4 marks)

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

3. State four challenges encountered in satisfaction of human wants. (4 marks)

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

4. State four problems encountered in development panning. (4 marks)

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

5. Highlight four circumstances under which differed payment may be appropriate. (4 marks)

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

6. Name four features that are contained the articles of association for a limited company. (4 marks)

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

7. Highlight four features of indirect production. (4 marks)

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

(iv).

8. State four differences between monopolistic market structure and Monopoly market structure. (4 marks)

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

9 Highlight five benefits that Kenya can get by engaging in international trade. (4 marks)

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

10. State importance of a business plan to an upcoming entrepreneur. (4 marks)

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

11 outline four uses of national income statistics to an economy. (4 marks)

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

12. The following balances were extracted from the books of Mambo Enterprises as at 31st December. 2007

Details	Shs
Debtors	35,000
Sales	440,000
Expenses	130,000
Discount received	15,000
Purchases	300,000
Discounts allowed	20,000
Carriage inwards	15,000
Creditors	45,000

Required a trial balance as at 31st Dec, 2007(5marks)

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13. Outline four factors that affect the circular flow of income. (4 marks)

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

14. State four errors that do not affect the agreement of a trial balance. (4 marks)

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

15. Draw four differences between whole life policy and endowment policy. (4 marks)

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

16. Indicate whether the following transactions would increase
 Decrease or have no effects on the balance sheet totals. (4 marks)

transaction	Effects on the balance sheet total
a)Paying a creditor using money from private sources	
b)Investing more cash in business	
c)Paying creditors in cash	
d)Buying a piece of furniture in cash	

17 Outline four ways in which the government creates an enabling environment for business
 Operations. (4 marks)

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

18. Give **three** ways in which monopolistic competition differs from pure monopoly. (3 marks)

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

Monopolistic competition pure monopoly. (4 marks)

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

19. Highlight four problems that Kenyan government may experience in implementing a Development. (4 marks)

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

20. List four activities that would to change in capital. (4 marks)

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

21. Give four reasons why firms choose to remain small in an economy dominated by large firms. (4 marks)

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

22. Outline four features of monopolistic market structure. (4 marks)

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

23. State four demerits of a rapid growing population. (4 marks)

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

24. Enter the following transactions in the relevant ledger accounts. (4 marks)

2015

June 1: Opening balances cash ksh 84,000 and a bank credit of ksh 18000

June 4: Paid water bills ksh 14,000 in cash

June 7: Bought goods worth ksh 8,000 and paid by cheque

June 9: Deposited ksh. 55,000 from the business into the bank.

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25. Mention four measures that the central bank can use to lower the level of money supply in Country. (4 marks)

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