

**KCSE 2017 JKIM JOINT EXAMINATION**

**565/1**

**Business paper 1 Question paper**

**Time: 2 hours**

**Instructions: Answer ALL questions in the space provided.**

1. Outline four reasons for establishment of a business enterprise..(4 marks)

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

2. Outline four ways in which the government influences the quantity of a commodity Supplied.(4 marks)

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

3. Identify four sources of monopoly powers.(4 marks)

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

4. The following balances were extracted from the books of Njirabi traders on 31st May 2004.

	Shs
Creditors	62,500
Stock	2,000
2 years bank loan	40,000
Bank	160,000
Cash	20,000
Premises	800,000

required: Prepare his balance sheet .(4 marks)

.....

.....

.....

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

5. State four circumstances under which a country's terms of trade would be unfavorable. (4 marks)

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

6. Highlight four reasons for the existence of small firms in an economy. (4 marks)

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

7. state four benefits that would accrue to a business person who transports goods by Liners rather than tramp streamers. (4 marks)

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

8. Highlight four circumstances which may make an insurance company not to compensate the Insured in the event of loss.(4 marks)

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

9.) state four reasons why firms with popular products find it necessary to continually advertise The same products.(4 marks)

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

10. Highlight four advantages that accrue to a country as a result of foreign firms locating their Enterprises in the country.(4 marks)

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

11. Identify four documents used in the delivery process in home trade. (4 marks)

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

12. state four FIVE sources of finance open to Kenya government.(4 marks)

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

13 Highlight Four indicators used to evaluate a country's economic development. (4 marks)

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

14. Under what circumstances would a common carrier refuse to transport goods of a particular Trader ? (4 marks)

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

(iv). .....

15. state four causes of inflation in a country. (4 marks)

(i). .....

(ii). .....

(iii). .....

(iv). .....

16. Highlight four advantages of hire purchase to the seller. (4 marks)

(i). .....

(ii). .....

(iii). .....

(iv). .....

17. Outline three basic qualities of an office worker .(3 marks)

(i). .....

(ii). .....

(iii). .....

.....

18. Identify the machine or equipment that relates to the following descriptions. (4marks)

Description	Office machine
a) Used to make postage impressions on the envelopes.	
B) Used for destroying unwanted documents by cutting them into tiny pieces.	
c) Used for trimming papers to the required sizes.	
d)used for transmitting printed messages such as letters,maps,diagrams and photographs	

19. Outline Four reasons why a business would like to operate its own warehouse. (4 marks)

(i). .....

(ii). .....

(iii). .....

(iv). .....

20. Highlight four factors that may be used in determining the size of a firm. .(4 marks)

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

21. Name four sources of business ideas.(4 marks)

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

22. State four limitations of face to face communication.(4 marks)

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

23. The following information was extracted from the books of Kabila Traders for the year ended 31st December, 2003.

Shs

Capital on 1st January 2003 270,000

Capital on 31st December 2003 320,000

Drawings during the year 100,000

Additional capital introduced

During the year 2003 30,000

Calculate Kabila Traders Ltd.'s profit or loss for the year ended 31st December 2003(5 marks)

.....

.....

.....

.....

.....

.....

.....

.....

24. Highlight four circumstances under which a firm would sell through retailers.(4 marks)

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

25. Outline four characteristics of insurable risks.(4 marks)

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