

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 factors that may determine the amount of revenue to be collected through taxation. .

(4 marks)

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

2. Outline four features of a perfect competition market. (4 marks)

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

3. Outline four merits of a rapidly growing population in a country. (4 marks)

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

4. outline four reasons why consumers prepare a scale of preference before spending money on goods and services. (4 marks)

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

5. state four circumstances that can lead to the termination of an insurance policy.

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

6. Give four sources of business ideas. (4 marks)

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

(iv).

7 State four factors that may lead to over population. (4 marks)

(i).

(ii).

(iii).

(iv).

8 State ways in which you can improve the productivity of labour as a factor of production. (4 marks)

(i).

(ii).

(iii).

(iv).

9. Highlight four reasons why countries prepare development plans. (4 marks)

(i).

(ii).

(iii).

(iv).

10. State four drawbacks of division of labour and specialization. (4 marks)

(i).

(ii).

(iii).

(iv).

11. State four recent trends in product promotion. (4 marks)

(i).

(ii).

(iii).

(iv).

12. State the source documents that relates to the following statements. (4 marks)

statement	Source document
a)The supplier demanded for payment of Shs 120,000 for goods delivered	
b)The petty cahier paid shs1, 200 for travelling expenses	
c)The seller received Shs 110,000 cash from the buyer in settlement of debt	
d)The buyer returned damaged goods worth Shs 15,000 to the seller	

13. Highlight four benefits to a business that adopts an enclosed office layout. ((4 marks)

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

14. State four reasons that may account for the continued use of hand carts as a mode of transport (4 marks)

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

15. State four circumstances under which written communication is preferable to oral communication. (4 marks)

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

16. Highlight four market situations that result into a business opportunity. (4 marks)

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

17. State tree benefits of keeping good customer relations (3marks)

- (i).

- (ii).
 - (iii).
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18. Outline four advantages of using television of a means of advertising. (4 marks)

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

19. Maina Traders had the following ledger account balances as at 31st December 2014.

	Ksh.
Sales	220,000
Purchases	190,050
Returns outwards	30,000
Salaries	30,000
Returns inwards	130,000
Capital	40,000
Bank loan	50,000

Prepare the business trial balance as at 31 December 2014. (4 marks)

20. Outline four differences between a cheque and Bills of exchange. (4 marks)

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21. Outline four negative effects of inflation to an economy. (4 marks)

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

22. Highlight four circumstances under which air transport can be preferred to transport goods from One place to another. (4 marks)

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

23. Highlight any four features of time deposit account (4 marks)

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

24. Highlight four problems that are likely to be faced by a firm as result of expansion of the entire Industry (4 marks)

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

25. The following balance sheet was extracted from the books of J.LOW TRADERS during the period ended 30th June 2007

J.LOW traders

Balance sheet

As at 30th June 2006

ASSETS		KSH	CAPITAL + LIABILITIES		KSH
Land		80 000	Capital		100 000
Office equipment		20 0000	LONGTERM LIABILTY		
CURRENT ASSETS			Bank loan {5 years}		50 000
Stock		25 000			
Debtors		25 0000			
Bank		15 000	Current liabilities		

Cash	<u>10 0000</u>	Creditors	<u>25 0000</u>
	152,500		152500

The following transactions took place on July 2007

- a) Paid creditors Shs 2000 by cash
- b) Debtors paid Shs 5000 by cheque
- c) Withdrew Shs 10000 from bank for business use

Required;

prepare balance sheet as at 2nd July 2007 (5 marks)

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