**NAME ………………………………..…… DATE ………………………………..………**

**INDEX NO. …………….……….……..…..… CANDIDATE’S SIGNATURE ………..…………..**

565/1

BUSINESS STUDIES

PAPER 1

OCTOBER / NOVEMBER 2013

TIME: 2 HOURS

**KATHIANI SUB - COUNTY**

**FORM FOUR ENTRANCE EXAMINATION**

***Kenya Certificate of Secondary Education***

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

**INSTRUCTIONS TO CANDIDATES**

**Answer all the questions in spaces provided.**

**FOR EXAMINERS USE ONLY**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTIONS** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** |
| **MARKS** |  |  |  |  |  |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **10** | **11** | **12** | **13** | **14** | **15** | **16** | **17** | **18** |
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| --- | --- | --- | --- | --- | --- | --- |
| **19** | **20** | **21** | **22** | **23** | **24** | **25** |
|  |  |  |  |  |  |  |

**TOTAL MARKS**

***This paper consists of 6 printed pages.***

***Candidates should check to ensure that all pages are printed as indicated and no questions are missing***

1. State four factors that constitute the internal environment of a business. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

2. Outline two differences between a bonded warehouse and a private warehouse. (4marks)

(a) .................................................................................................................................................................

…………………………………………………………………………………………………………

(b) ………………………………………………………………………………………………………… ………………………………………………………………………………………………………..

3. Outline four after-sale services that a trader can offer to his customers. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ...................................................................................................................................................................

4. State the three types of economic resources, giving an example in each case. (4marks)

|  |  |
| --- | --- |
| Economic resource | Example |
|  |  |

5. State four characteristics of land as a factor of production. (4marks)

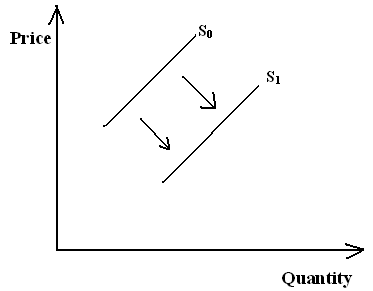
(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

6. The following diagram shows a shift in supply curves from S0 to S1. State four factors that would have caused the shift. (4marks)

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(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

7. State four positive effects of globalization on business today. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

8. Outline four conditions which must be met in order for an insurance contract to be valid. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

9. Outline four limitation of the circular flow of income. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

10. Outline four ways in which consumers benefit when producers compete in product promotion.(4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

11. State the unit of carriage for each of the following modes of transport. (4marks)

Mode of transport Unit of carriage

(a) Portage .........................................................

(b) Sea .........................................................

(c) Road .........................................................

(d) Air .........................................................

12. Outline four characteristics of human wants. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

13. State four ways through which the government may create an enabling environment for business in the country. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

14. State four reasons why modern government offices have adopted the open plan office layout as opposed to the enclosed plan layout. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

15. Give four circumstances under which a business would sell through CWO (cash with order) basis.

(4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

16. Outline four negative effects of HIV on business activities. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

17. State four reasons why a government would regulate business. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

18. Outline four circumstances under which John a trader would have to transport his wares by air.(4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

19. State four limitations of using mobile phones as a means of communication. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

20. Outline four circumstances under which an insurance may fail to indemnify the insured. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

21. Other than price mechanism, state four other methods of determining the price of a commodity.(4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

22. State four assumptions governing the existence of perfect competition market. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

23. Outline four circumstances under which a producer would opt to sell his goods directly to the consumer.

(4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

24. State four uses of national income statistics. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

25. State four positive implications of a high population to an economy. (4marks)

(a) ..................................................................................................................................................................

(b) ..................................................................................................................................................................

(c) ..................................................................................................................................................................

(c) ..................................................................................................................................................................