

KCSE 2017 JKIM JOINT EXAMINATION

Kenya certificate of secondary education (K.C.S.E)

NAME.....

INDEX NO.....

SCHOOL.....

SIGNATURE.....

DATE:

565/1

BUSINESS STUDIES

Paper 1

Time: 2 ½ hours

INSTRUCTIONS TO CANDIDATES

1. Write your name, school and index number in the spaces provided above.
2. Sign and write the date of the examination in the spaces provided above.
3. This paper consists of **25** questions.
4. Attempt **ALL** questions in the spaces provided.
5. This paper consists of **7** printed pages.
6. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

1. Outline four sources of business ideas to potential entrepreneurs. (4marks)

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

2. State four features of a bonded ware house (4marks)

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

3. Highlight four shortcomings of division of labour and specialization (4marks)

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

4. Give four reasons why a sole proprietor business may remain small size. (4marks)

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

5. State four reasons why consumers have to make a choice between competing needs. (4marks)

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

6. State four merits of a bonded warehouse to the Government (4marks)

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

7. State four reasons why consumers need protection from unethical traders. (4marks)

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

8. State four factors that an entrepreneur would consider before investing in a business opportunity (4marks)

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

9. State four circumstances where a firm would be located near a source of raw materials. (4marks)

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

10. For each of the following transactions, indicate the source documents from which the following Transactions would be recorded. (4marks)

Transaction	Source document
Credit purchases	
Sales on credit	
Goods returned by customer	
Correction of undercharge	

11. Outline four ways in which the government participates in training businessmen in the country. (4marks)

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

12. Highlight four ways in which a firm would acquire dominance of a market. (4marks)

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

13. Give four reasons why manufacturing firm may offer after sale service to its consumers. (4marks)

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

14. The government of a developing country intends to formulate an elaborate policy to address the Widespread unemployment. Identify four areas of concern that the policy should look into. (4marks)

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

15. Outline four difficulties that consumers may face in the satisfaction of human wants. (4marks)

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

16. Outline four advantages of a short distribution channel of goods to a buyer. (4marks)

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

17. Outline four challenges facing consumer associations in Kenya. (4marks)

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

18. Highlight four ways of increasing the efficiency of land as a factor of production. (4marks)

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

19. State four importances of entrepreneurship. (4marks)

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

20. from the list of activities given in the table below. State the level of production they relate to. (4marks)

activity	Level of production
Selling mandazi to students	
Milking a camel	
Cutting down of trees	
Trouser making	

21. Highlight four factors that can make a company to re-insure. (4marks)

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

22. State four ways in which a good filling system may facilitate the operations on office. (4marks)

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

23. State four advantages of road transport over railway. (4marks)

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

24. Outline four benefits that may get when buying goods from a supermarket. (4marks)

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

25. The following balances were extracted from the books of Jamesly high as at 31st Dec 2011.

Details.	Shs.
Furniture	20,000
Carriage outwards	5,000
Discount received	3,000
Gross profit	12,000
Rent income	2,500
Salaries	5,000
Insurance	1,000
Creditors	7, 000
Electricity	2,000

Required to prepare Jamesly high profit and loss account for the period ended 31st Dec 2011(4marks)

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