

Name: \_\_\_\_\_ Adm No. \_\_\_\_\_

Candidate's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

565/1

**BUSINESS STUDIES**

**PAPER 1**

**JUNE/JULY 2016**

**2 HOURS**

**4MCK JOINT FORM 4 EXAMINATION 2016**

**Kenya Certificate of Secondary Education**

**Business Studies**

**Paper 1**

**June/July 2016**

**2 Hours**

***INSTRUCTIONS TO CANDIDATES***

- ❖ *Answer all questions in the spaces provided in the question paper*
- ❖ *All your workings to be shown*

**FOR EXAMINER'S USE ONLY**

<b>Questions</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Marks</b>														

<b>Questions</b>	16	17	18	19	20	21	22	23	24	25
<b>Marks</b>										

<b>Total Score</b>	
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1. Outline four skills and benefits that Okoth, a student would get from studying business.

(4 marks)

- a).....
- b) .....
- c) .....
- d) .....

2. Identify the type of business environment represented by each of the following factors

Factor Business environment (3 marks)

- a)A value added tax collected by KRA \_\_\_\_\_
- b)Personal and academic skills required \_\_\_\_\_
- c)Political climate in the country \_\_\_\_\_
- d)Information and communication systems of a firm \_\_\_\_\_
- e)Organizational structures of a business \_\_\_\_\_

- f)Substitutes brand introduced in the market \_\_\_\_\_

3. Highlight three reasons why human beings should make choices between competing needs.

(3 marks)

- a).....
- b) .....
- c) .....
- d) .....

4. For each of the following occupations, mention the level of production that relates to each.

(3 marks)

	<b>Occupation</b>	<b>Level of Production</b>
a.	Hunting	
b.	Forestry	
c.	Hail dressing	
d.	Engineering	
e.	Nursing	
f.	Farming	

5. State four roles played by entrepreneurs to the economy of a country (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

6. Mention five ways in which the government participates in the operations of a state corporation. (5 marks)

- a).....
- b) .....
- c) .....
- d) .....
- e).....

7. Outline four advantages of a sole proprietorship form of business ownership. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

8. Name four laws enacted by the government to protect consumers. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

9. State four reasons why the short message service (SMS) is replacing letters as a way of communication. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

10. For each of the following means of transport show the unit of carriage used. (4 marks)

	Means	Unit of carriage
a)	Porterage	
b)	Pipeline	
c)	Cartage	
d)	Air	

11. Give four reasons why warehousing is very important in a country's economy. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

12. State four factors that determine the amount of premium in life assurance. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

13. Give four factors that may cause decrease of goods in the market. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

14. List four sources of internal economies of scale. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

15. State four reasons that makes government to create monopolies. (4 marks)

- a).....

- b) .....
- c) .....
- d) .....

16. a) State the shortest channel of distribution of imported goods. (1 mark)

.....

b) Give three circumstances under which this channel may be preferred. (3 marks)

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

17. Outline four factors that may cause change in capital in an ongoing business. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

18. Enter the following transactions into a two column cash book for Jaribu traders and balance it off. (5 marks)

1 <sup>st</sup> April 2008	- Cash balance Kshs 2,500
	-Cash at bank Kshs 12,450
4 <sup>th</sup> April 2008	- Paid Musau a creditor Kshs 1800 cash
7 <sup>th</sup> April 2008	- Sold goods on credit worth Kshs 10,000 to maimam traders
11th April 2008	- Paid salaries by cheque sh 6500
12 <sup>th</sup> April 2008	-Withdrew Kshs 9,540 from the bank for office use.



- c) .....
- d) .....

22. The Kenya shilling has been depreciating against major international currencies. Highlight four disadvantages of this depreciation of the currency. (4 marks)

- a).....
- b) .....
- c) .....
- d) .....

23. Give three reasons for taxation. (3 marks)

- a).....
- b) .....
- c) .....

24. Explain briefly the significance of the following terms of sale. (4 marks)

- i) LOCO.....
- ii) ONO.....
- iii) FRANCO.....
- iv)FOB.....

25. The following data was extracted from the books of Racheal's boutique as at 31<sup>st</sup> September

Faulu 3 yr loan	Kshs 300,000
Creditors	Kshs 160,000
Premises	Ksh 145,000
General expenses	Ksh 50, 000
Cash	Ksh 75,000
Bank	Ksh 215,000
Stock	Kshs 250,000
Capital	Kshs 420,000
Debtors	Kshs 115,000
Drawings	Kshs 30,000

Required:

Prepare Racheal's trial balances as at the end of September. (5 marks)

