

Name

ADM NO.....

565/1
BUSINESS STUDIES
PAPER 1
MARCH - 2017
TIME: 2 HOURS

Candidate's Signature

Date:

ARGWINGS KODHEK SECONDARY SCHOOL

Kenya Certificate of Secondary Education (K.C.S.E.)

INSTRUCTIONS TO CANDIDATES

- Write your **name** and Admission **number** in the spaces provided above
- **Sign** and write the **date** of examination in the spaces provided
- Answer **all** the questions. (25 questions).
- All answers should be written in the spaces provided in this booklet.
- Candidates should answer all questions in English

FOR EXAMINERS USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	19	20	21	22	23	24	25	
Marks																									

TOTAL MARK

1. Indicate the reward associated with each of the following factors of production

(4mks)

No	Factor	Rewards
1	Land	
2	Labour	
3	Capital	
4	Entrepreneurship	

2. Identify the types of wholesalers described in the statements given below

(4mks)

a) A wholesaler who trades in maize grain only

b) a wholesaler who supplies goods to most of the traders in Kitui, Mbooni and Machakos District

c) a wholesaler who buys tomatoes from farmers in rural areas and sells the same to other wholesaler in urban areas

d) A wholesalers who trades in a wide variety of human medicine

3. State four features of a bonded warehouse

(4mks)

4. State four characteristics of economic resources

(4mks)

5. State any four external business environment factors

(4mks)

6. In the spaces below, indicate the type of utility created by of the following activities (4mks)

i) Selling goods to customer

ii) Storekeeping

iii) Transporting goods

iv) Making a chair

7. Outline four benefits that a firm may enjoy by preparing a business plan.

(4mks)

8. State any three sources of business idea

(3mks)

9. Outline four functions of an office

(4mks)

10. Outline four factors that should be considered before buying office equipment

(4mks)

11. Outline four circumstances under which a cooperative society may be dissolved

(4mks)

12. The following transactions were extracted from the books of Sarah traders

May 10 purchased goods on credit worth sh 200,000 from Salim Traders

May 25 sold goods on credit worth sh 420,000 Shah Traders

Record the above transactions in the ledger account below

(4mks)

a). Salim Traders A/c

b).

Purchase A/c

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c).

Shah Traders A/c

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d).

Sales A/c

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13. Outline four circumstances under which a trader may use oral communication (4mks)

14. Outline four reasons why a firm may remain small

(4mks)

15. Outline four Malpractices by traders against which consumers may need protection by the government

(4mks)

16. Outline four factors that should be considered in the choice of a means of transport (4mks)

17. State any four risks against which a shopkeeper may insure

(4mks)

18. State three differences between life assurance and property insurance

(3mks)

Property Assurance	Life assurance

19 The following balances were extracted from the books of Chebi Traders for the Month ended 31st

March 2009

Sales	120,000
Purchase	240,000
Motor Van	300,000
Equipment	120,000
Debtors	80,000
Creditors	40,000
Expenses	160,000
Capital	1440,000

Prepare the trial balance of Chebi Traders for the month ended 31st March 2009.

(5mks)

20 The diagram below shows a shift in demand curve from D₀ to D₁

