

565/1

BUSINESS STUDIES

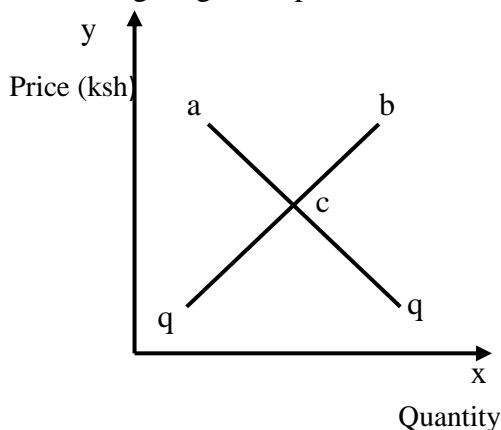
PAPER 1

TIME: 2 HOURS

MACHAKOS COUNTY KCSE TRIAL AND PRACTICE

EXAM 2015

1. Outline **FOUR** features that constitute a market. (4 Marks)
2. The following diagram represents demand and supply of a product.



(a) State what is represented by curves

ap _____

bq _____

letter c _____

- (b) On the diagram, indicate equilibrium price (PE) and equilibrium quantity (QE) (4 Marks)
3. Outline **FOUR** advantages of after sales services as a method of sales promotion to a customer. (4 Marks)
4. Give **FOUR** reasons why a consumer should satisfy basic wants before secondary wants. (4 Marks)
5. Outline **FOUR** reasons why a multinational company may prefer setting up a production unit in developing country instead of exporting finished goods to the country. (4 Marks)
6. State the factor of production that each of the following resources relate to:- (5 Marks)

Resource	Factor of production
(a) Manager	
(b) Quarry	
(c) Vehicle	
(d) Water	
(e) Owner	

7. In the spaces provided below, indicate with a tick (✓) whether each of the following statements relates to preference or ordinary shares. (3 Marks)

Statement	Preference	Ordinary

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13. Outline **FOUR** ways of curbing cost push inflation. (4 Marks)
14. Outline **FOUR** circumstances under which the per capita income statistics would be a good indicator of the welfare of the citizens of country. (4 Marks)
15. Outline **FOUR** challenges associated with a high ageing population in a country. (4 Marks)
16. Outline **FOUR** purposes of taxation. (4 Marks)
17. State **FOUR** basis of international trade (4 Marks)
18. Outline **FOUR** methods that a country may use to restrict international trade. (4 Marks)
19. State **FOUR** reasons why an invoice received is important in accounting. (4 Marks)
20. Outline **FOUR** items that are included when computing national income using the expenditure approach. (4 Marks)
21. Outline **FOUR** features of insurable risks
22. State **FOUR** features of chain stores. (4 Marks)
23. Outline **FOUR** factors that constitute an efficient transport system. (4 Marks)
24. State **FOUR** goals of development. (4 Marks)
25. Outline **FOUR** disadvantages of use of Automatic Teller Machines (ATMs) in banking. (4 Marks)