

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. Differentiate between ordinary shares and preference shares of a company. (4mks)

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

2. Highlight any four characteristics of an under developed country. (4mks)

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

3. Given below are functions of office equipment. Identify the name of the equipment against the rightful use. (4mks)

| Functions of the Machine | Office Equipment |
|---|------------------|
| I. Used in posting information to ledgers and preparing payrolls | |
| II. To transmit printed messages such as photographs, letters, and maps | |
| III. Used to carry out many functions such as storing information, typing and performing complex calculations | |
| IV. Usually fire proof where important documents in an organization are stored | |

4. Outline four advantages of using television of a means of advertising. (4mks)

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

5. Outline four disadvantages of the partitioned office layout. .(4mks)

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

6. Outline four circumstances under which written communication is preferable to oral

Communication. (4mks)

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

7. Highlight four problems that Kenyan government may experience in implementing a

Development plan. (4 marks)

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

8. Highlight four advantages to the government of Kenya for setting up Export Processing Zones

(EPZs). (4mks)

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

9. Give four reasons why firms choose to remain small in an economy dominated by large firms. (4mks)

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

10. Highlight four factors that may determine the amount of revenue to be collected through taxation. . (4mks)

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

11. State four errors that do not affect the agreement of a trial balance. (4mks)

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

12. Highlight four circumstances under which sole proprietorship may be dissolved. . (4mks)

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

13. Give four features of a good filling system. (4mks)

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

14. Outline four main functions of an office in any business organization. (4mks)

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

15. List four advantages of credit sales to a seller. (4mks)

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

16. Outline four ways in which the Central Bank controls the operations of commercial banks. . (4mks)

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

17. State four reasons why the volume of exports from less developed countries to the developed countries tend to be low. (4mks)

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

18. The following figures relate to Westgate Company Limited as at 31st December, 2013. Use it to Prepare a balance sheet as at 31st December, 2013. . (4mks)

| | |
|-----------------|-------------|
| Capital | shs.50, 000 |
| 2-year loan | shs.30, 000 |
| Unpaid Salaries | Shs. 15,000 |
| Bank | shs.25, 000 |
| Overdraft | shs.5, 000 |
| Closing stock | Shs. 20,000 |
| Cash | Shs. 15,000 |
| Buildings | shs.32, 000 |
| Creditor's | shs.10, 000 |

Furniture shs.8, 000

Machinery Shs. 10,000

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19. Outline any four positive implications of inflation in the economy. (4mks)

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

20. Highlight four measures consumers may take to satisfy their unlimited wants using Limited resources. (4mks)

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

21. Give four reasons why a high rate of inflation is undesirable to a country. (4mks)

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

22. Name any three statistics associated with measurement of national income. (4mks)

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

23. State four types of direct taxes. . (4mks)

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

24. Highlight four circumstances that make a country reluctant to join a trading bloc. . (4mks)

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

25. The following information was extracted from the books of Moses Mzuri for the month of August 2012 . (4mks)

Opening stock Sh.22, 000

Closing stock Sh.26, 000

Purchases Sh.100, 000

Mark –up 10%

Prepare the trading account for the month ending 31st August 2012

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