

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. Highlight four factors to be considered when determining the most suitable business

Opportunity from a variety of business ideas. (4 marks)

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

2. The following are functions of some departments in an organization. In the spaces below write

The name of the department whose function is given. (4 marks)

Function	Department
a) Processing payment	
b) Recruitment of workers	
c) Doing the overall management	
d) Procuring of supplies	

3. State four ways in which the government may create an enabling environment for business

Activities. (4 marks)

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

4. Outline four ways in which products can be differentiated under monopolistic competition. (4 marks)

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

5. List four types of warehouses. (4 marks)

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

6. State four items that can bring change in the circular flow of national income. (4 marks)

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

7. Highlight four roles played by intermediaries in the distribution channel. (4 marks)

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

8. State four features of public goods/services. (4 marks)

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

9. Highlight four ways in which the insurance industry promotes growth of business enterprises. (4 marks)

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

10. Name three uses of two- column cash book. (3 marks)

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

11. Outline four ways of controlling demand pull inflation. (4 marks)

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

12. All vehicles on Kenyan roads must have insurance policy. Highlight the meaning of the following Terms as used in Insurance. (4 marks)

- (i) First Party
- (ii) Second Party
- (iii) Third Party
- (iv) Comprehensive policy

13. State four reasons why a business firm may not prefer to advertise its products through Newspapers. (4 marks)

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

14. Outline four benefits of money transfer services using a mobile phone. (4 marks)

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

15. Outline four benefits that consumers can get from warehousing. (4 marks)

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

16. Outline three differences between perfect competition and monopoly market. (4 marks)

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

17. Indicate the effect of each of the following transactions on the balance sheet totals by using (+) for increase, (-) for decrease and (NC) for no change. (4 marks)

description	Effects
(a) Cashed a cheque for personal use	
(b) Bought premises on credit	
c) Paid a creditor by cash	
(d) Converted a personal car into business vehicle	

18. List four essential features of a market. (4 marks)

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

19. Highlight four negative implications in the Kenya economy of the continued war in Somali. (4 marks)

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

21. State four reasons why a business firm may not prefer to advertise its products through Newspapers. (4 marks)

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

22. Outline four benefits of money transfer services using a mobile phone. (4 marks)

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

23. Outline four factors that may give rise to monopoly power in an economy. (4 marks)

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

24. Highlight four features of indirect production. (4 marks)

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

25. Enter the following transactions in the relevant ledger accounts. (4 marks)

2011

July 1: Opening balances cash ksh 24,000, bank ksh 8000 (cr)

July 3: Paid rent ksh 4,000 in cash

July 4: Bought goods worth ksh 8,000 and paid by cheque

July 5: Deposited ksh. 5,000 from the business into the bank.