

KCSE 2017 JKIM JOINT EXAMINATION

Kenya certificate of secondary education (K.C.S.E)

NAME.....

INDEX NO.....

SCHOOL.....

SIGNATURE.....

DATE:

565/2

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. State four factors that may influence a firm's decision on the type of goods or services to produce. (4marks)

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

2. State four precautions that a drawer can take in order to ensure that his cheques do not bounce. (4marks)

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

3. State four ways in which ban on plastic bags influence business activities. (4marks)

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

4. State four functions of a Central bank. (4marks)

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

5. Highlight four ways in which use of containers in sea transport enhance security of cargo. . (4marks)

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

6. Highlight four ways through which an efficient road transport promotes trade. (4marks)

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

7. Highlight four **reasons** why the output approach underestimates the gross domestic product. . (4marks)

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

8. Highlight four **advantages** of a bonded warehouse to the importer. (4marks)

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

9. State four benefits that may accrue to a business organization which expands its scale of operations.
(4marks)

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

10. State four services offered by commercial banks to their customers. (4marks)

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

11. State four reasons that may necessitate a country to adopt trade protectionism measures. (4marks)

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

12. State four effects of a declining population on an economy. (4marks)

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

13. State four circumstances under which a business person would prefer written communication. (4marks)

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

14. State four five causes of cost-push inflation. (4marks)

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

15. State four importance of warehousing to a producer. (4marks)

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

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

2012

December 1 Omondi started business with Shs 125,000 cash

December 2 bought stock worth Shs 3,900 paid in cash

December 5 cash sales of Shs 2,100 paid by cheque.

December 7 deposited Shs 2,300 into the bank.

17. State four emerging issues in the home trade (4marks)

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

18. List four external business environments that may affect performance of business negatively. (4marks)

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

19. Define the following terms as used in business studies. (4marks)

- i). voyage.....
- ii). cargo.....
- iii). vessel.....
- iv). unit of carriage.....

20. Outline four circumstances under which a trader may sale on credit. (4marks)

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

21. Outline four limitations of railway transport. (4marks)

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

22. Highlight three benefits of sales person in product promotion. (3marks)

- a)
- b)
- c)
-

23. List four external business environments that may affect performance of business negatively. (4marks)

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

24. Outline four reasons why celebrities are commonly used in advertisement. (4marks)

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

25. The following information's was extracted from the books of Jamesly traders as at 31st December 2014(5marks)

	Shs.
Motor van	20,000
Carriage outwards	5,000
Discount received	31,000
Gross profit	12,000
Rent income	12,500
Salaries	15,000
Insurance	1,000
Creditors	17, 000
Rent expenses	12,000
General expenses	12,000

Required to prepare Jamesly traders profit and loss account for the period ended 31st December 2014