

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 **6** printed pages.
6. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

1. State four ways in which the newly launched standard gauge railway (SGR) will benefit Kenya's economy.

- a.
- b.
- c.
- d.

2. Give four contents of a cover note.

- a.
- b.
- c.
- d.

3. Highlight four measures that entrepreneurs would consider before investing in business opportunity.

- a.
- b.
- c.
- d.

4. State four factors that limit the satisfaction of human wants.

- a.
- b.
- c.
- d.

5. Land is one of the factors of production. Outline four circumstances under which it may discourage the location of firms.

- a.
- b.
- c.
- d.

6. Tyson traders had the following balance as at 31st December 2012

Shs

| | |
|---------------|-----------|
| Opening stock | 800,000 |
| Closing stock | 1,000,000 |
| Sales | 3,250,000 |

Rate of stock turnover 3 times

Calculate:

a) Cost of goods sold (2 marks)

.....
.....
.....

b) Gross profit (2 marks)

.....
.....
.....

7. Highlight four factors to consider when choosing a means of transport.

- a.
- b.
- c.
- d.

8. State four uses of an advice note in business transactions.

- a.
- b.
- c.
- d.

9. Highlight four external business environments that may lead to the success of a business.

- a.
- b.
- c.
- d.

10. State four types of expenditure that are included in measuring national income using expenditure approach.

- a.
- b.
- c.
- d.

11. State five reasons why communication may not be effective.

- a.
- b.
- c.
- d.

12. Identify the uses of the following office equipment.

| equipment | use |
|------------------|-----|
| Computer | |
| Stapler | |
| Paper shredder | |
| Franking machine | |

13. State four benefits of public corporations in Kenya.

- a.
- b.
- c.
- d.

14. State four economic factors that determine a consumer's buying ability.

- a.
- b.
- c.
- d.

15. Highlight four benefits of a free warehouse.

- a.
- b.
- c.
- d.

16. Highlight four factors that determine precautionary motive for holding money.

- a.
- b.
- c.
- d.

17. Outline four measures that may be taken by an office to safeguard the property of the organization

- a.
- b.
- c.
- d.

18. Among the documents required by the Registrar of companies is the Articles of Association. Highlight four contents of the Articles of Association

- a.
- b.
- c.
- d.

19. Highlight four limitations of a siren as a means of communication.

- a.
- b.
- c.
- d.

20. State four external factors that may positively influence the operations of a business.

- a.
- b.
- c.
- d.

21. State four problems that a country may suffer when the government becomes a major investor in Business activities.

- a.
- b.
- c.
- d.

22. State four circumstances that may influence a firm to locate its operation near the source of raw materials.

- a.
- b.
- c.
- d.

23. The following balances were extracted from the books of Mneni Traders for the year ended 31

December 2014.

Shs.

| | |
|--------------------|--------|
| Opening stock | 20,000 |
| Capital | 80,000 |
| Gross profit | 18,620 |
| Discount allowed | 740 |
| Carriage outwards | 1,350 |
| Rent received | 3,430 |
| General expenses | 1,960 |
| Salaries and wages | 5,700 |

Prepare profit and loss account.

24. Outline four uses of money

- a.
- b.
- c.
- d.

25. State four limitations of barter trade as a mean of exchanges.

- a.
- b.
- c.
- d.

