

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. State five circumstances under which photocopying may be used to reproduce documents in a school. (5 marks)

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

2. State the document to be applied in each of the following statements. (3 marks)

STATEMENT	DOCUMENT
Used to correct undercharge in an invoice	
A request by a seller for advance payment	
To reply to specific Setter of inquiry	

3. State any four advantages of export processing zones (EPZ) to a country. (4 marks)

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

4. Highlight any five sources of public finance. (4 marks)

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

5. List four factors that are likely to hinder economic development in Kenya. (4 marks)

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

6. Name four possible barriers to international trade. (4 marks)

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

7. Draw four differences between whole life policy and endowment policy. (4 marks)

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

8. Highlight four market situations that result into a business opportunity. (4 marks)

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

9. State the measurement approach used in the following items. (4 marks)

Item	Measurement approach
i. Government investments	
ii. Households paying school fees	
iii. Grinding maize into flour	
iv. Receipt from transport services	

10. State four reasons that may influence a manufacturer or producer to sell products directly to consumers. (4 marks)

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

11. State four ways in which the nature of goods would influence the choice of transport means. (4 marks)

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

12. Outline four differences between perfect competition and monopoly market. (4 marks)

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

13. Give four clauses of memorandum of association. (4 marks)

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

14. Identify four trends in international trade. (4 marks)

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

15. List four features of co-operative societies (4 marks)

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

16. Classify the following taxes as either direct or indirect. (4 marks)

tax	description
Personal income	
Capital gain	
Sales tax	
Custom income	

17. Describe the following types of unemployment: (4 marks)

- (i). Disguised unemployment (2marks)
- (ii). cyclic unemployment (2 marks)

18. Outline three demerits of face to face communication. (4 marks)

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

19. state four benefits of delocalization of firm to the locals. (4 marks)

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

20. outline four limitations of air transport. (4 marks)

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

21. highlight four uses of journals. (4 marks)

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

22. state four reasons why a company may insure with another bigger company. (4 marks)

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

23. Outline four macro-environment factors that affect operations of a business . (4 marks)

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

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

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

25. The following information was extracted from the books of Kabila Traders for the year ended 31st December, 2003.

Shs

Capital on 1st January 2003 270,000

Capital on 31st December 2003 320,000

Drawings during the year 100,000

Additional capital introduced

During the year 2003 30,000

Calculate Kabila Traders Ltd.'s profit or loss for the year ended 31st December 2003(4 marks)

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