

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

1. Outline four factors to consider when evaluating a business opportunity. (4 marks)

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

2. State the meaning of the following words as used in business studies. (3 marks)

- I. Charter
party.....
- II. Full container
load.....
- III. Voyage
charter.....

3. State four ways in which the nature of goods would influence the choice of transport

Means. (4 marks)

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

4. Highlight four benefits of Export Processing Zones (EPZ). (4 marks)

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

5. In the spaces provided, write decrease, increase or no effect to show the effects of each one of the following transactions on the assets, liabilities or capital. (4 marks)

Transactions	Assets	Liabilities	Capital
Withdrew goods for personal use			
Bought furniture on credit			
Converted a personal motorcycle for business use			
Paid creditors by cash			

6. Highlight four importance of entrepreneurship to the economy of a country. (4 marks)

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

7. State four limitations of containerization in transport sector. (4 marks)

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

8. Highlight four factors that can lead to unfavorable balance of payment. (4 marks)

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

9. State four principles of insurance. (4 marks)

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

10. State four causes of cost push inflation in an economy. (4 marks)

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

11.) Explain the meaning of the following terms as used in business ownership. (10 marks)

- (i) Franchising
- (ii) Merger
- (iii) Holding company.....
- (iv) Globalization.....

12. state four factors to be considered when choosing a method of product promotion. (4marks)

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

13. Highlight four benefits that a country will enjoy as a result of indirect production. (4 marks)

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

14. the following information was extracted from the books of kimemia on 31st December 2014

2nd March: Cash sales Ksh 12,000

12th March: Paid a creditor Ksh 8,200 cash

27th March: Received a cheque for Ksh 4,500 from debtors

31st March: Paid rent Ksh 7,500 in cash

Records the above information in a two column cash book provided below and balances it off. (4 marks)

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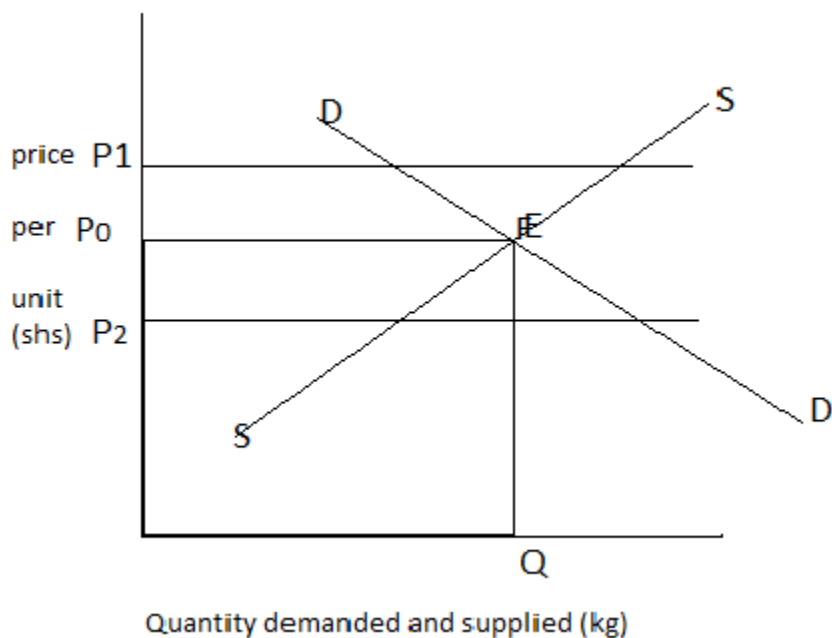
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15. Explain the factors that may determine the quantity demanded of a commodity (4marks)

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

16. The following graph indicates the demand and supply curve of a commodity.



highlight four things that would happen when price is fixed at p_1 and at p_2 (4marks)

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

17. Identify four strategies that can be used by small scale firms in order to expand (4marks)

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

18. State factors that influence the location of a firm. (4 marks)

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

19. Give four advantages of delocalization of firms. (4 marks)

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

20. State four ways in which prices are determined in Kenya. (4 marks)

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

21. Identify the insurance terms described by the following statements ;(4 marks)

Statement	Terms
(a) The amount of money the insured Paid periodically	
(b) A person has insured his property For a higher value than its worth.	
c) Several insurance companies share the burden of insuring a common property	
d) The contract document for insurance cover	

22. state four disadvantages that an expanding firm may suffer by choosing to localize its operations. (4 marks)

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

23. give four benefits of operating a small scale firm. (4 marks)

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

24. state four benefits to a large consumer who buys directly from the producer. (4 marks)

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

25. the following information was extracted from the books of Njorogebie on 31st January 2014

details	ksh.
Bicycle	3,000
Debtors	2,000
Premises	50,000
5 year Bank loan	20,000
Creditors	5,000
Furniture	7,000
Stock	10,000
Cash at hand	4,000

Prepare a balance sheet as at 31st January 2014. (5 marks)

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