

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. Mention four ways in which the government participate in training businessmen in the Country. (4 marks)

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

2. State four reasons why John would prefer to obtain a loan from his Sacco but not from a Commercial bank. (4 marks)

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

3. State four benefits of public corporations in Kenya. (4 marks)

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

4. The following information was extracted from the books of Juma Traders as at 31st December 2009,

	Shs
Opening stock	2,500
Purchases	46,000
Closing stock	1,500
Mark-up	20%

Required:

Prepare Juma Trader's Trading Account. (5 marks)

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

5. State whether the tax described below is direct or indirect. (4 marks)

a) Stamp duty

.....

b) Wealth tax

.....

c) Excise duty

.....

d) Value Added tax

.....

6. State FOUR emotional qualities that are essential for a good office staff. (4 marks)

(i).

(ii).

(iii).

(iv).

7. State FOUR benefits of using ATM cards in transacting a business deal. (4 marks)

(i).

(ii).

(iii).

(iv).

8. Highlight four factors that can make a company to re-insure. (4 marks)

(i).

(ii).

(iii).

(iv).

9. State four external factors that may positively influence the operations of a business. (4 marks)

(i).

(ii).

(iii).

(iv).

10. Outline four advantages of division of labour. (4 marks)

(i).

(ii).

- (iii).
- (iv).

11. Kamau a sole proprietor who operates a private school bought blankets for sh.100, 000. The Terms of sale were 20% trade discount and 5% cash discount if payment was made within two Weeks. Calculate the net amount he paid after one week. (4 marks)

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

12. The descriptions stated below refer to various methods advertisement. For each description give The method that best matches it. (3 marks)

Description	Method of advertisement
(i). Process of information with a view of creating, promoting or maintaining good will and favorable image of the organization to the Public	
(ii). Presentation of a commodity to prospective buyers, face to face by a sales person with an aim of making sales	
(iii). Any mention of a person/firm or product in the mass media	

13. Outline four causes of cost –push inflation in any country. (4 marks)

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

14. State four roles played by entrepreneurs to the economy of a country. (4 marks)

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

15. Outline four factors that may cause change in capital in an ongoing business. (4 marks)

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

16. Explain briefly the significance of the following terms of sale. (4 marks)

- i) LOCO.....
- ii) ONO.....
- iii) FRANCO.....
- iv) FOB.....

17. Highlight four limitations of the methods used by the consumer to protect themselves against Exploitation. (4 marks)

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

18. Outline four advantages of free gifts in product promotion. (4 marks)

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

19. State **four** ways in which a good filing system may facilitate the operations in an Office. (4 marks)

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

20. State four reasons why diagonal communication needs to be encouraged in an organization. (4 marks)

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

21. Highlight four unethical practices in product promotion. (4 marks)

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

22. Give four differences between a public warehouse and private warehouse. (4 marks)

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

23. Give four measures that an organization may put in place to improve office etiquette among its Employees. (4 marks)

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

24. State four types of expenditure that are included in measuring national income using expenditure Approach. (4 marks)

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

25. The following information was extracted from books of Kaka mega traders for the year ended 31st Dec 2014

Details	Ksh
Opening stock	100, 00
Closing stock	80,000
Purchases.....	520,000

Calculate the rate of stock turn over (4marks)