

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. Promotion conveys have become a popular form of product promotion. State four benefits of this method to customers (4marks)

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

2. List any four characteristics of services. (4 marks)

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

3. Below are tasks performed by office machines and equipment's? State the machine/equipment used to perform each task. (4 marks)

TASK	MACHINE/EQUIPMENT
(i). Sending printed diagrams, charts, maps etc.	
(ii). Printing stamp impression on envelopes	
(iii). Cutting paper into required sizes	
(iv). Sending and receiving verbal messages	

4. Identify reasons why national income statistics are not a good measure of comparing standards Of living in different countries. (4 marks)

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

5. Highlight four causes of balance of payments disequilibrium. (4 marks)

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

6. State four factors that may necessitate re-insurance. (4 marks)

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

7. State four factors that limit the satisfaction of human wants. (4 marks)

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

8. Highlight four differences between bill of exchange and promissory note. (4 marks)

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

9. State four advantages of entrepreneurship in an economy. (4 marks)

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

10. State the source documents for each of the following subsidiary day Books. (4 marks)

Subsidiary	Books Source Documents
(i). Sales Journal	
(ii). Returns Inwards Journal	
(iii). Purchase Sales Journal	
(iv). Returns Outward Journal	

11. List four factors that may limit the growth of a country's national income. (4 marks)

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

12. State FOUR economic factors that affect a consumer are buying ability. (4 marks)

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

13. Outline FOUR problems that may arise in a school that has poor communication techniques. (4 marks)

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

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

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

18. Outline four reasons why the government may impose trade restrictions on her trading Activities. (4 marks)

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

19. Name four laws enacted by the government to protect consumers. (4 marks)

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

20. List four sources of internal economies of scale. (4 marks)

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

21. List four personal attributes of an office staff. (4 marks)

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

22. Outline four reasons why a firm would prefer to locate near the market of its products. (4 marks)

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

23. State four essentials of effective communication. (4 marks)

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

24. Outline **one** circumstance under which each of the following telecommunication services May be used: (3 marks)

(i) Paging

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(ii) Facsimile (fax)

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(iii) Radio call

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25. The following balance sheet belongs to James Omondi during the period ended 30th June 2000.

James Omondi Traders

Balance sheet

As at 30.06.2000

Assets	Ksh
Machinery	45,000
Current assets	7,750
Stock	1,375
Debtors	25,375
Bank	79,500
Capital + Liabilities	ksh
Capital	65,000
Creditors	45,000
Short term liability	10,000
Bank loan	79,500

The following transactions took place on July 1 2000.

(i) Paid creditors Sh 2000 by cheque.

(ii) James Omondi took stock worth Shs 7500 from the business for his son's birthday.

(iii) Motor vehicle previously owned by James Omondi values at sh 200,000 was Converted into business vehicles.

Required: Prepare the balance sheet of James Omondi traders as at 2nd July 2000. (5 marks)

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