

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. Highlight four differences between hypermarkets and departmental stores. (4 marks)

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

2. Define the following terms as used in business studies(4 marks)

(i) Annuity

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(ii) Proposer

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(iii) Grace period

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(iv) Speculative risk

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3. Highlight four factors to consider when choosing a means of transport. (4 marks)

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

4. From the list of activities given in the table below. State the level of production they relate to. (4 marks)

Activity	Level of production
(i). milking a cow	
(ii). dress making	
(iii). selling goods to the market	
(iv). Cutting down trees	

5. Outline four challenges facing consumer associations in Kenya. (4 marks)

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

6. State four reasons why the government imposes taxes. (4 marks)

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

7. Name four characteristics of human wants. (4 marks)

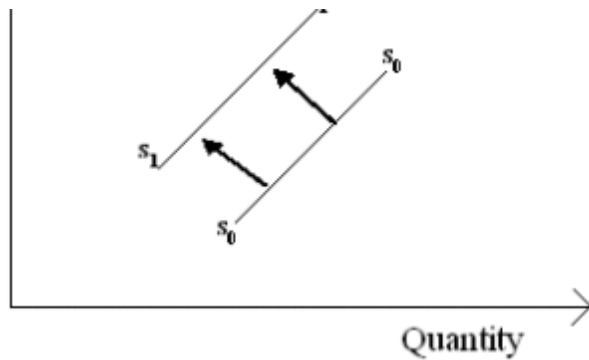
- (i).
- (ii).
- (iii).
- (iv).

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

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

9. The diagram below shows shift in supply curve from S_0 to S_1 . Outline four factors that could

have caused the shift shown above. (4 marks)



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10. Highlight four reasons why a business plan is necessary to an entrepreneur (4marks)

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

11. Outline four features of free warehouse (4marks)

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

12. List four ways in which natural resources may benefit a country. (4 marks)

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

13. List any four examples of indirect taxes. (4 marks)

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

14. Give four circumstances under which a credit note is issued. (4 marks)

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

15. The following information relates to Nzoia Stores for the year ended 31/12/2014.

Turn over (Sales)	sh. 160,000
Margin	20%
Rent Income	sh. 68,000
Carriage outwards	sh. 54,000

Determine:

(a) Mark – up percentage

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(b) Net profit of the year. (4 marks)

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16. Give four reasons why the governments draw their development plans. (4 marks)

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

17. Highlight four measures the state is putting in place to bring sanity in the matatu transport sector in Kenya. (4 marks)

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

18. Outline four circumstances under which a public warehouse would be ineffective. (4 marks)

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

19. Outline four factors that a citizen would consider while holding money for day to day expenses. (4 marks)

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

20. Name the term referred to in each of the following statements. (4 marks)

Statement	Term
a) A firm that undertakes to compensate another in case of a risk insured arising	
b) A business form that takes an insurance policy	
c) An event which if it occurs, will result to a financial loss	
d) The amount of money payable to a firm that decides to terminate an endowment policy	

21. State FOUR methods used by the government to restrict international trade. (4 marks)

- (i).

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

22. State four economic factors that determine a consumer's buying ability. (4 marks)

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

23. Highlight four factors that determine precautionary motive for holding money. (4 marks)

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

24. State four circumstances that may influence a firm to locate its operation near the source of raw materials. (4 marks)

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

25. 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. (4 marks)

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