

KCSE 2017 JKIM JOINT EXAMINATION

Kenya certificate of secondary education (K.C.S.E)

NAME.....

INDEX NO.....

SCHOOL.....

SIGNATURE.....

DATE:

565/2

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 **six** questions.
4. Answer **any five** questions in the spaces provided.
5. Each question carries **20** marks.
6. This paper consists of **3** printed pages.
7. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

FOR EXAMINER'S USE ONLY

QUESTIONS	1	2	3	4	5	6	TOTAL SCORE
CANDIDATE'S SCORE							

1. (a) Discuss five circumstances under which a credit note is issued. (10 marks)
(b) Kenya recently attained mid-income economy status due to the economic development experienced. Explain five indications which led to this. (10 marks)
2. (a) Identify five factors that you would consider when determining the effective operation of a warehouse. (10 marks)
(b) Discuss five measures that the government may take to improve the volume of exports. (10 marks)
3. (a) The following information related to KIBOMET HARDWARE for the month of June 2014.

Date Transaction

7/06/2014: Credit sales to Wanja sh. 70,000 and Njoroge sh. 60,000

10/06/2014: Credit purchase from Kiprangat sh. 30,000 and Sarah sh. 20,000

12/06/2014: Goods returned to Kiprangat sh. 2,000 and Sarah sh. 5,000

13/06/2014: Goods returned by Wanja sh. 3,500 and Njoroge sh. 1,000

25/06/2014: Wanja and Njoroge settled their accounts by cheque after deducting 5% cash discounts in each case.

28/06/2014: Settled Kiprangat and Sarah's account in cash after deducting 5% cash discount in each case.

Required: Record the above transaction in relevant books of original entry. (10 marks)

(b) discuss five features of a sole proprietorship form of a business. (10 marks)

4. (a) Explain five reasons why high per capita income is not an indicator of a better living standard in an economy. (10 marks)
(b) state and explain five problems that may be experienced at the implementation stage of a development plan. (10 marks)

5. (a) Explain any **five** measures a country may adopt to increase its volume of exports. (10 marks)
(b) explain five reasons why a new business may fail. (10 marks)

6. (a) With the aid of a diagram, explain the effect of a decrease in the supply of a commodity while its demand remains constant. (10 marks)

©JKIM JOINT EVALUTION BUSINESS STUDIES TEST -2017

565/2

Turn Over

(b) KHWESA TRADERS had the following balances as at 31st December 2014.

Item Shs.

Building 540,000
Bank loan 472,000
Debtors 116,900
Creditors 227,000
Furniture 408,170
Gross profit 520,600
Motor vehicle 900,000

discount allowed 142,000
lighting 25,200
interest on loan 1,200
closing stock 72,030
rent received 120,000
repairs on buildings 60,000
repairs on furniture 72,500
motor vehicle expenses 300,000
general expenses 102,100
capital 1,400,000

prepare:

(a) profit and loss Account for the year ended 31st December 2014.

(b) Balance sheet as at 31/12/2014. (10 marks)

