

# SUNSHINE SECONDARY SCHOOL



Name.....

ADM No.....

Stream.....

Candidate's signature.....

Index No .....

Date.....

**565/1**  
**BUSINESS STUDIES**  
**Paper 1**  
**March 2017**  
**2 HRS**

**Instructions to candidates**

- (a) Write your name and Adm Number in the spaces provided above.
- (b) Answer ALL the questions.
- (c) All answers must be written in the spaces provided.
- (d) Candidates should check the question paper to ascertain that all the pages are printed as indicated and no of questions missing.
- (e) This paper consist of 8 printed pages.
- (f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- (g) Candidates should answer all the questions in English.

**For Examiners Use Only**

Questions	1	2	3	4	5	6	7	8	9	10	11	12	
Marks													
Questions	13	14	15	16	17	18	19	20	21	22	23	24	25
Marks													

**Total marks**

1 Outline **four** circumstances under which cash with order may be used. (4 marks)

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

2 State **four** benefits that a farmer may derive from being a member of a Producer Co-operative Society. (4 marks)

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

3 Highlight **three** benefits of globalization to a business enterprise. (3 marks)

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

4 Highlight **four** ways in which consumers may protect themselves against exploitation by traders. (4 marks)

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

5. Outline one circumstance under which each of the following telecommunication services may be used. (3mks)

i) Paging -----

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ii) Fascimile ( fax) -----

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iii) Radio call -----

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6. Outline any four importance of a balance sheet.

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7 Outline **four** tools of monetary policy that a government may use to reduce excess money in circulation. (4 marks)

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

8 Outline **one** circumstance under which each of the following types of inflation may occur: (4 marks)

- (i) Creeping inflation.....  
.....
- (ii) Hyperinflation.....  
.....

9 State **four** forms of economic integration that may exist between countries. (4 marks)

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

10 Highlight **four** problems of development planning that a country may experience. (4 marks)

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

11 Nyaboke operates a shop in a farming area. State **four** ways in which the farming community can benefit from the business activity. (4 marks)

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

12 Outline **four** features of indirect production. (4 marks)

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

13 State **four** factors that may lead to the success of a business. (4 marks)

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

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

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

15 Highlight **four** benefits that a country gets by encouraging trade among her citizens. (4 marks)

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

16 Outline **four** challenges that may be encountered when measuring national income using the output approach. (4 marks)

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

17 Highlight **four** measures that a government may take to reduce the mortality rate in a country. (4 marks)

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



- 19 Given the statements in the table below, indicate the type of entry to be made in the relevant ledger accounts: (4 marks)

Statement	Type of Entry
(i) An increase in revenue	
(ii) A decrease in an asset	
(iii) An increase in an expense	
(iv) A decrease in liability	

- 20 In the spaces provided in the table below, name the document Jambi Ltd. would issue under the circumstances described: (4 marks)

Circumstance	Document to issue
(i) Jambii Ltd sold goods worth Sh. 54,000 on credit to Jamilar Traders.	
(ii) Osuri Enterprises which had bought goods worth Sh 27,000 was erroneously charged for only Shs 25,000.	
(iii) Guru Traders paid Shs 33,900 by cheque to Jambi Ltd. for goods which had been supplied.	
(iv) Goods sold to Jamilar Traders had been overpriced by Shs 4,000.	



21 Outline **four** conditions under which a warehouse may be considered to be operating efficiently. (4 marks)

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

22 Highlight **four** advantages of promoting sales through the internet. (4 marks)

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

23 Zawadi operates a hardware business in her home town. Outline **four** methods she may use to determine prices for her goods other than the forces of demand and supply. (4 marks)

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

24 Highlight **four** factors that a firm may consider when deciding on the goods to produce. (4 marks)

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

25 State **four** features of a perfectly competitive market.

(4 marks)

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

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