**NAME…………………………………………………………………INDEX NO……………………….………...**

**ADM. NO……………………SCHOOL………………………………………………STREAM………………….**

**CANDIDATE’S SIGN………………………………………. DATE……………………………….…………….**

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**JUNE 2019**

**TIME: 2 HOURS**

**HOMABAY COUNTY BUSINESS STUDIES JOINT EXAMS**

**(HOCOBUSA)**

***Kenya Certificate of Secondary Education (K.C.S.E)***

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**JUNE 2019**

**TIME: 2 HOURS**

**INSTRUCTIONS TO CANDIDATES**

1. Write your name and index number in the spaces provided above
2. Sign and write the date of examination in the spaces provided above
3. Answer all the questions
4. All the questions should be written in the spaces in this booklet below each question
5. This paper consists of 7 printed pages
6. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no question is missing.
7. Candidates should answer the questions in English.
8. This paper consists of **Twenty-five** questions.

**FOR EXAMINERS USE ONLY**

**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** services offered by a retailer to a producer. (4 marks)
2. ………………………………………………………………………………………………………….
3. ………………………………………………………………………………………………………….
4. ………………………………………………………………………………………………………….
5. ………………………………………………………………………………………………………….
6. Highlight **four** causes of unemployment in Kenya. (4 marks)
7. ………………………………………………………………………………………………………….
8. ………………………………………………………………………………………………………….
9. ………………………………………………………………………………………………………….
10. ………………………………………………………………………………………………………….
11. Indicate the type of journal in which each of the following transactions would be recorded. (4 marks)

**Transaction** **Type of journal**

1. Goods previously sold on credit were returned …………………………………
2. Goods bought on credit. ………………………………….
3. Goods sold for cash. ………………………………….
4. Motor vehicle sold on credit. ………………………………….
5. State **four** types of business resources. (4 marks)
6. ………………………………………………………………………………………………………….
7. ………………………………………………………………………………………………………….
8. ………………………………………………………………………………………………………….
9. ………………………………………………………………………………………………………….
10. Outline **four** reasons why a business person may prefer written communication to verbal communication (4 marks)
11. ………………………………………………………………………………………………………….
12. ………………………………………………………………………………………………………….
13. ………………………………………………………………………………………………………….
14. ………………………………………………………………………………………………………….
15. Outline **four** indicators of economic development in a country. (4 marks)
16. ………………………………………………………………………………………………………….
17. ………………………………………………………………………………………………………….
18. ………………………………………………………………………………………………………….
19. ………………………………………………………………………………………………………….
20. State **four** reasons why consumers satisfy basic wants before secondary wants. (4 marks)
21. ………………………………………………………………………………………………………….
22. ………………………………………………………………………………………………………….
23. ………………………………………………………………………………………………………….
24. ………………………………………………………………………………………………………….
25. State **four** merits of storing goods in a public warehouse (4marks)
26. ………………………………………………………………………………………………………….
27. ………………………………………………………………………………………………………….
28. ………………………………………………………………………………………………………….
29. ………………………………………………………………………………………………………….
30. Mention **four** characteristics of money. (4 marks)
31. ………………………………………………………………………………………………………….
32. ………………………………………………………………………………………………………….
33. ………………………………………………………………………………………………………….
34. ………………………………………………………………………………………………………….
35. The following information was extracted from Watu Mbili traders as at 31st January 2016.

Ksh.

Machinery 460,000

Cash in hand 80,000

Debtors 130,000

Creditors 60,000

Stock 20,000

4year loan 280,000

Bank Overdraft 30,000

Required*:* Prepare a balance sheet of Watu Mbili traders as at 31st January 2016.

1. Outline **four** reasons why railway transport is not competitive in Kenya. (4 marks)
2. ………………………………………………………………………………………………………….
3. ………………………………………………………………………………………………………….
4. ………………………………………………………………………………………………………….
5. ………………………………………………………………………………………………………….
6. Highlight **four** qualities of a good sales person. (4 marks)
7. ………………………………………………………………………………………………………….
8. ………………………………………………………………………………………………………….
9. ………………………………………………………………………………………………………….
10. ………………………………………………………………………………………………………….
11. Highlight **four** positive implications of a large population in a country (4 marks)
12. ………………………………………………………………………………………………………….
13. ………………………………………………………………………………………………………….
14. ………………………………………………………………………………………………………….
15. ………………………………………………………………………………………………………….
16. Outline **four** circumstances under which an Insurance company may re- Insure. (4 marks)
17. ………………………………………………………………………………………………………….
18. ………………………………………………………………………………………………………….
19. ………………………………………………………………………………………………………….
20. ………………………………………………………………………………………………………….
21. Highlight **four** ways in which monopoly power may arise (4 marks)
22. ………………………………………………………………………………………………………….
23. ………………………………………………………………………………………………………….
24. ………………………………………………………………………………………………………….
25. ………………………………………………………………………………………………………….
26. Outline **four** current trends banking. (4 marks)
27. ………………………………………………………………………………………………………….
28. ………………………………………………………………………………………………………….
29. ………………………………………………………………………………………………………….
30. ………………………………………………………………………………………………………….
31. The following information relates to Matongo as at 31st December 2018.

Ksh.

Additional investment 900,000

Drawings 300,000

Capital (31st December 2018) 7,000,000

Profit 3,200,000

Required: Determine Matongo‘s Capital as at 1st January 2018 (4 marks)

1. The following information relates to Makini Traders for the year ending 31st March 2019.

Margin 15%

Sales 640,000

Purchases 480,000

Stock on 1/4/2018 130,000

Closing stock?

Required: Prepare Makini Traders Trading Account for the year ending 31st March 2019. (4 marks)

1. Outline **four** ways in which the government may involve herself in business activities. (4 marks)
2. ………………………………………………………………………………………………………….
3. ………………………………………………………………………………………………………….
4. ………………………………………………………………………………………………………….
5. ………………………………………………………………………………………………………….
6. Highlight **four** features of indirect production (4 marks)
7. ………………………………………………………………………………………………………….
8. ………………………………………………………………………………………………………….
9. ………………………………………………………………………………………………………….
10. ………………………………………………………………………………………………………….
11. Mention **four** forms of economic integration. (4 marks)
12. ………………………………………………………………………………………………………….
13. ………………………………………………………………………………………………………….
14. ………………………………………………………………………………………………………….
15. ………………………………………………………………………………………………………….
16. State **four** sources of public finance apart from taxes (4 marks)
17. ………………………………………………………………………………………………………….
18. ………………………………………………………………………………………………………….
19. ………………………………………………………………………………………………………….
20. ………………………………………………………………………………………………………….
21. State **four** distinctive features of a parastatal (4 marks)
22. ………………………………………………………………………………………………………….
23. ………………………………………………………………………………………………………….
24. ………………………………………………………………………………………………………….
25. ………………………………………………………………………………………………………….
26. Outline **four** measures that Kenya government may take to attract firms to an area. (4 marks)
27. ………………………………………………………………………………………………………….
28. ………………………………………………………………………………………………………….
29. ………………………………………………………………………………………………………….
30. ………………………………………………………………………………………………………….
31. State **four** factors to be considered when deciding on office layout. (4 marks)
32. ………………………………………………………………………………………………………….
33. ………………………………………………………………………………………………………….
34. ………………………………………………………………………………………………………….
35. ………………………………………………………………………………………………………….