

Name: Index no

Candidate's sign.....

Date:

565/1

BUSINESS STUDIES

Paper 1

May 2019

TIME: 2 HOURS

RACHUONYO NORTH SUB COUNTY JOINT EVALUATION EXAMS

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

Business Studies

Paper 1

May 2019

Time: 2 Hours

INSTRUCTIONS TO CANDIDATES:

- Write **your name** and **Index Number** and **School** in the spaces provided above.
- This paper consists of 25 questions.
- Answer **all** the questions
- All answers **must** be written in the spaces provided in this booklet.

For Examiner's Use Only:

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14
MARKS														

QUESTION	15	16	17	18	19	20	21	22	23	24	25
MARKS											

TOTAL MARKS

This paper consists of 8 printed pages. Candidates should check to ascertain that all papers are printed as indicated and that no questions are missing

1. Outline **four** characteristics of public corporations (4mks)
- a)
 - b)
 - c)
 - d)

2. Outline four advantages a firm may enjoy by being quoted at the Nairobi stock exchange (4mks)
- a).....
 - b).....
 - c)
 - d).....

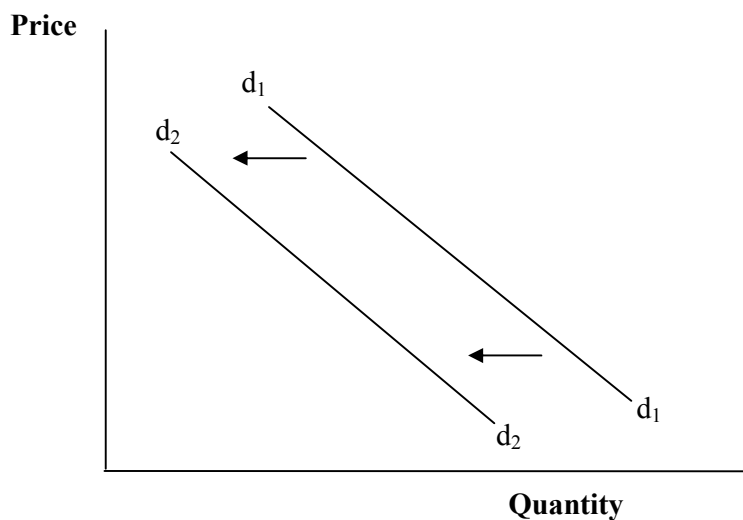
3. The following information relate to Rachuonyo Waves Enterprises for the year ended 30.6.2015.

Debtors	120,000
Creditors	60,000
Machinery	450,000
Cash at hand	70,000
Cash at bank	180,000
5 years loan	270,000
Stock	60,000

Prepare Rachuonyo Waves balance sheet as at 30.06.2015

4. State **four** factors that determine the fertility rate in a country (4mks).
 a).....
 b).....
 c).....
 d).....
5. Outline **four** features of oligopoly (4mks)
 a).....
 b).....
 c).....
 d).....
6. State **four** circumstances when a firm would be located near the source of raw materials (4mks)
 a).....
 b).....
 c).....
 d).....
7. Enter the following transactions in the relevant ledger accounts of Tara Traders for the month of April 2019. (4mks)
- | | | |
|---------|---|--|
| April 3 | - | Purchased goods on credit from Tumaini Wholesalers for 50,000. |
| April 4 | - | Withdrew 20,000 from bank for office use. |
| April 5 | - | Purchased stationery for 1000 in cash. |
| April 6 | - | Paid Tumaini Wholesalers 3000 by cheque. |

8. Study the diagram below and answer the questions that follow.



State **four** factors responsible for the change in the diagram above (4 mks)

- a).....
- b).....
- c).....
- d).....

9. The effectiveness of consumer organizations to protect consumers in Kenya is limited by certain factors. State **four** of such factors. (4mks)

- a).....
- b).....
- c).....
- d).....

10. Enter the following transactions in the cash book of Kisumu Traders for the month of January 2019.
- Jan 1st - Cash 10,000Kshs. bank 35,000 (cr)
 - Jan 2nd - Sold goods worth 20,000 Kshs. in cash
 - Jan 3rd - Received a cheque of 9000 Kshs. from Tabitha after allowing her a cash discount of 10%.
 - Jan 4th - Paid the following accounts by cheque Salim 15,000 Kshs, Okello 30,000 Kshs. Salim 15,000 Kshs, Ruto 26,000Kshs, after deducting 10% discount in each case.
 - Jan 5th - Took cash to the bank 30,000Kshs.

11. Outline **four** differences between whole life insurance policy and endowment insurance policy. (4mks)
- a).....
 - b).....
 - c).....
 - d).....

12. State **four** reasons why National Income Statistics may not be appropriate for comparing living standards between two countries. (4mks)
- a).....
 - b).....
 - c).....
 - d).....

13. Indicate in the spaces provided the type of warehouse that relate to the following description.
- (a) Used to store locally produced goods until excise duty is paid.
 - (b) Used to store non-dutiable goods originating from within or outside the country.
.....
 - (c) Warehousing designed to suit one's particular needs.
 - (d) Mostly situated at entry points and available at a fee.

14. State **four** unethical practices that may occur in product promotion (4mks)
- a).....
 - b).....
 - c).....
 - d).....

15. Name the document that each of the following description refer to. (4mks)

Description	Document
(a) Used to inform the buyer that the Seller has received the order	
(b) Used to ask about the availability of goods	
(c) Used to show goods sold on credit	
(d) Used to organize for transportation of goods between a buyer and a seller	

16. State **four** limitations of the use of a cell phone as a means of communication. (4mks)
- a).....
 - b).....
 - c).....
 - d).....
17. Siaya traders started a business with Kshs.1,200,000 at the end of the year, the capital was 1,600,000Kshs. The monthly drawing was 20,000Kshs. Calculate profits for the year. (4mks)

18. State **four** ways in which land is useful as a factor of production (4mks)
- a).....
- b).....
- c).....
- d).....

19. State **four** reasons why flower exporters choose to transport their produce by air rather than by sea. (4mks)
- a).....
- b).....
- c).....
- d).....

20. State **four** reasons why a teacher would choose to save with a SACCO rather than a commercial bank. (4mks)
- a).....
- b).....
- c).....
- d).....

21. The following information relates to Booker Traders.

	Kshs.
Opening stock	60,000
Closing stock	25,000
Purchases	120,000
Gross profit	45,000

Calculate;

- (a) Margin (2mks)

- (b) Rate of stock turn over (2mks)

22. State **four** limitations of barter system of trade (4mks)
- a).....
- b).....
- c).....
- d).....
23. Outline **four** advantages of international trade. (4mks)
- a).....
- b).....
- c).....
- d).....
24. Outline four external business environments that may negatively affect performance of the business. (4mks)
- a).....
- b).....
- c).....
- d).....
25. In the spaces below indicate the source documents that correspond to the books of original entry indicated. (4mks)

Source of Document	Books of Original Entry
	Sales Journal
	Purchases Journal
	Return inwards/Sales Returns Journal
	Return Outwards/Purchase Returns Journal

