

Name.....Index. No.....

Sign.....

Date.....

565/1

BUSINESS STUDIES

PAPER 1

MARCH/APRIL 2015

TIME: 2 Hours

CROSS COUNTRY EXAMS 2015

Kenya Certificate of Secondary education

565/1

Paper 1

BUSINESS STUDIES

2 HOURS

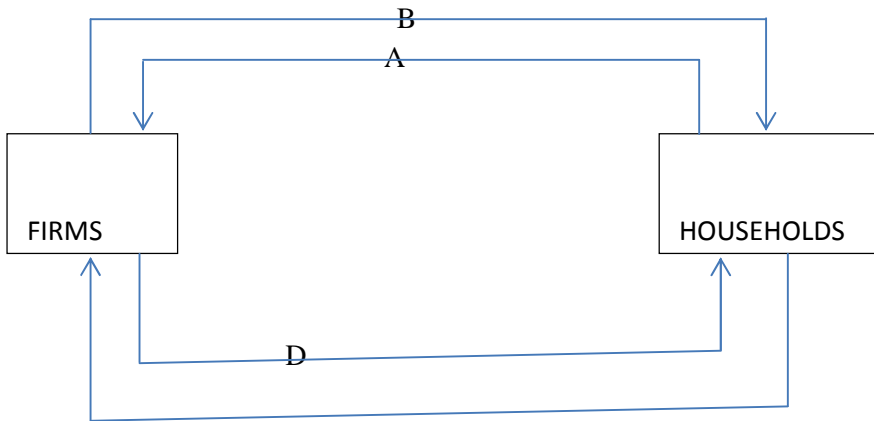
INSTRUCTIONS TO CANDIDATES

- i) Write your name and index number in the spaces provided above
- ii) Sign and write the date of the examination in the spaces provided above.
- iii) Answer all questions in the spaces provided.
- iv) This paper consists of **9** printed pages
- v) Check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.

1. Mention **four** methods that countries use to restrict importation of goods. (4mks)

2. Highlight **four** limitations of barter system of trade. (4mks)

3. Study the following diagram and state the missing terms. (4mks)



C

A)

B)

C)

D)

4. Give **four** reasons why employers are expected to provide their employees with insurance cover. (4mks)

5. Highlight **four** problems that are likely to be faced by a firm as result of expansion of the entire industry. (4mks)

6. State **four** benefits that Kenya will reap after the completion of the Lamu Port & Lamu-South Sudan-Ethiopia Transport corridor (LAPSSET) project whose construction is underway. (4mks)

7. Mention **four** features of capital as a factor of production. (4mks)

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8. Outline **four** factors that may contribute to the ineffectiveness of a warehouse. (4mks)

9. Highlight **four** importance of subsidiary books. (4mks)

10. Enter the following transactions in the relevant ledger accounts (4mks)

- i) Purchased a Delivery van from CMC Motors for sh. 350,000 paying by cheque.
- ii) Atieno, a debtor, paid fully her account of sh. 18,000 in cash.
- iii) Deposited cash sh. 200,000 in the bank.
- iv) Sold goods to Kemboi for sh. 15,000 receiving cash.

11. Highlight **four** ways through which the physical environment can positively impact a business performance.(4mks)

12. Highlight **four** differences between monopoly and monopolistic market structures. (4mks)

13. State **four** characteristics of a departmental store. (4mks)

14. Give the meaning of the following terms as used in business. (4mks)

a) Franchising.

b) Check-off system

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c) Amalgamations

d) Take-overs

15. Outline **four** importance of national census statistics in an economy. (4mks)

16. Highlight **four** challenges that entrepreneurs face when carrying out business activities. (4mks)

17. Outline **four** characteristics of a good tax system.(4mks)

18. Outline how scarcity, choice and opportunity cost are related. (4mks)

19. State **four** measures a business can put in place to safeguard office property. (4mks)

20. Highlight **four** ways in which Kenya Association of Manufacturers (KAM) ensures that their members do not exploit consumers. (4mks)

21. State any **four** essential elements of communication. (4mks)

22. The following table represents the demand for tomatoes.

Price of tomatoes (Shs)	Quantity demanded of tomatoes per week (Kgs)
50	10
100	8
150	6
200	4
250	2

From the above demand schedule plot the demand curve for tomatoes. (4mks)

23. Outline any **four** roles played by intermediaries in the chain of distribution. (4mks)

24. Upendo Traders had the following information extracted from their books of accounts as at 31st December 2012.

	Sh
Capital (01.01.2011)	3,500,000
Profit	824,440
Drawings for the year	35,220
Capital (31.12.2012)	5,000,000

Required:

Calculate additional investments for the year.

25. Outline **four** factors that might cause demand-pull inflation.

(4mks)
