

KANGEMA / MATHIOYA SUB-COUNTIES JOINT EVALUATION 2016
BUSINESS STUDIES
565/1
PAPER 2

1. Below are some factors that influence the operation of a business. By use of a tick indicate in the appropriate column the Business environment associated with each of the factors. 4mks

Factor	Micro	Macro
a) Political factors		
b) Economic recession		
c) Business structures		
b) Human resources		

2. Give four basic factors of production with their respective rewards. 4mks

Factors of production	Reward
i)	
ii)	
iii)	
iv)	

3. Outline four advantages of warehousing to a consumer 4mks
 4. Outline four sources of oligopoly power. 4mks
 5. In the table below classify the accounts as personal, nominal, real or private. 4mks

<i>Account</i>	<i>Account type</i>
Machinery	
Kamau(creditor)	
Electricity bill	
Rent income	

6. On 1st of October 2009 Sambu bought goods on credit quoted at Kshs.240,000. Terms of sales were 20% trade discount and 10% cash discount if payment was made on 29TH October 2009. Calculate the amount paid if payment was made on 26th October 2009. 4mks
 7. For each of the following sources document name the relevant day book. 4mks

Source Document	Daybook
Invoice issued	
Credit note received	
Cheque received	
Invoice received	

8. Diana, Peter and James have been running a business as a partner without a written agreement. Advice them on the following matters as per the partnership Act. 4mks
 a) Profit and loss sharing
 b) Salary to partners
 c) Loans given to the business by the partner
 d) Admission of a new partner
 9. State whether each of the following transactions increased, decreased or had no effects on the balance sheet totals. 4mks

Transactions	Effect on balance sheet totals
a) Bought office equipment in cash	
b) Paid a creditor by cheque	
c) Used business cash to pay dowry	
d) Converted private room for business	

10. State four emerging trends in Matatu PSV transport sector in Kenya. 4mks
 11. State four circumstances under which photocopying may be used to reproduce documents in a school. 4mks
 12. The following is a cash book that was extracted from Manyatta traders for the month of February 2009.

Manyatta Traders
Cash book for the month of February 2009

Date	Particulars	Disc. All	Cash	Bank	Date	Particulars	Disc.rec	Cash	Bank
2004 Feb 1	Bal b/d		2,000	5,000	2004 Feb 15	Bank C1		15,000	
12	Wanjala	1,000	19,000		26	Njeru	850		17,000
15	Cash C1			15,000	27	Bal c/d		6,000	3,000
		1,000	21,000	20,000			850	21,000	20,000
28	Bal b/d		6,000	3,000					

Describe the transactions which took place on the dates given below. 4mks

- i) February 1
- ii) February 12
- iii) February 15
- February 26

13. State four specific objectives of advertising as a tool of sales promotion. 4mks

14. Apart from government borrowing, outline four other sources of government revenue. 4mks

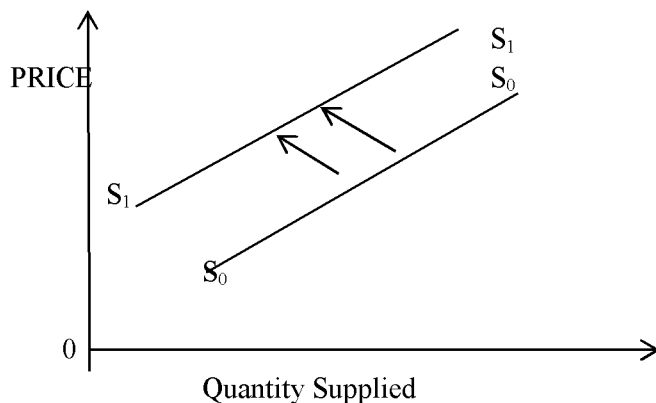
15. Give four reasons that make insurance companies decline to insure acts of nature. 4mks

16. Using the accounting equation, fill in the missing figures in the following table. 4mks

	Liabilities(shs)	Assets (shs)	Capital(shs)
a)	45,820		28,700
b)	43,737	211,000	
c)	348,170		170,340
d)		148,390	108,930

17. Identify four barriers to international trade that are imposed by governments. 4mks

18. The diagram below shows a shift in supply curve from S_0S_0 to S_1S_1 4mks



State four factors that may account for the above shift. 4mks

19. Give four basic characteristics of a business idea. 4mks

20. The table below shows the age distribution of a country.

Age	Percentage %
0-15	45
16-55	31
56 and above	24

State four negative economic implications of this age distribution to a county.

4mks

21. Identify four factors that may lead to an increase in the level of national income of a country.

4mks

22. Mention four adverse effects of inflation.

4mks

23. Outline four functions of Kenya Bureau of standards.

4mks

24. Identify four circumstances under which sign language may be used to communicate.

4mks

25. The central bank is a banker to the government. Outline four banking services it provides to the Kenya government.

4mks