

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

Candidates Signature

Date.....

565/1
BUSINESS STUDIES
PAPER 1
JULY/ AUGUST 2009
TIME: 2 HOURS

MANGA JOINT EVALUATION TEST-2009

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

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BUSINESS STUDIES
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Instructions to candidates

- Write your name and Index Number in the spaces provided above.
- Sign and write the date of the examination in the spaces provided above.
- All answers must be written in the spaces provided in this booklet.
- Answer all the Questions
- Do not remove any pages from this booklet.

FOR EXAMINER’S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11
Marks											

Question	12	13	14	15	16	17	18	19	20	21	22
Marks											

Question	23	24	25
Marks			

**TOTAL
MARKS**

*This paper consists of 8 printed pages.
Candidates should check the question paper to ascertain that
all pages are printed and no questions are missing*

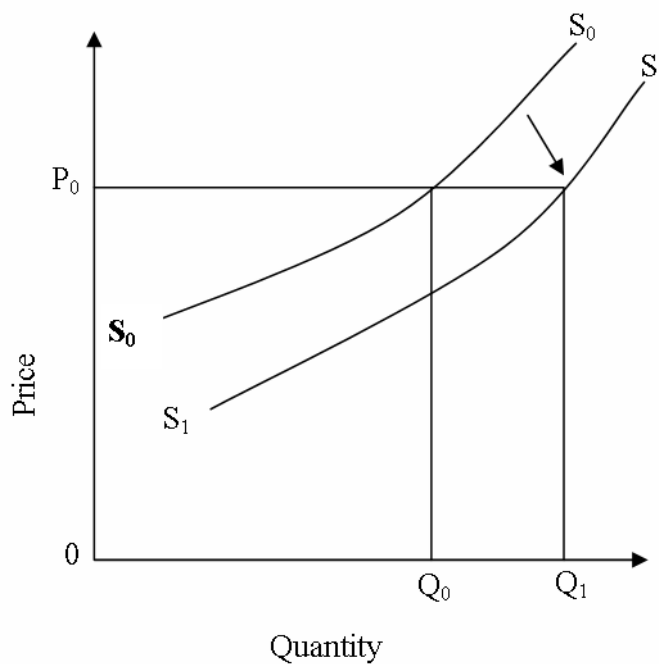
1. Outline **four** features of land as a factor of production (4mks)

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

2. State **four** circumstances under which signs may be appropriate in communication(4mks)

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

3. The diagram below shows a shift in the supply curve of a commodity Z from the original curve S_0S_0 to $S_1 S_1$



Mention **four** possible causes that have led to this situation (4mks)

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

4. Highlight **four** reasons why the government levies taxes on her citizens (4mks)

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

5. The following information was obtained from the books of Makutano Traders

On 30 th June 2008	Ksh.
Purchases	150,000
Sales	450,000
Return Outwards	10,000
Return inwards	15,000
Carriage inwards	30,000
Closing Stock	45,000

Prepare Makutano Traders Account for the year ended 30th June 2008 (4mks)

6. Give **four** differences between a public limited company and a public corporation (4mks)

Public Limited Company	Public Corporation
i)	i)
ii)	ii)
iii)	iii)
iv)	iv)

7. Give **four** social responsibilities of a business to its employees (4mks)

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

8. State **four** characteristics of human wants (4mks)

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

9. State **four** channels of distribution for imported goods. (4mks)

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

10. Matagaro has just taken a whole life policy and is complaining that his premiums are very high outline four reasons why the premiums may be high (4mks)

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

11. The following information relates to Manga Traders as at 31st December 2008

	Ksh.
Premises	210,000
Capital	190,000
Creditors	150,000
Debtors	180,000
Bankoverdraft	120,000
Prepaid rent	15,000
Cash in hand	20,000
Rent income Accrued	40,000
Drawings	20,000
Insurance owing	25,000

12. State **four** characteristics of Money (4mks)

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

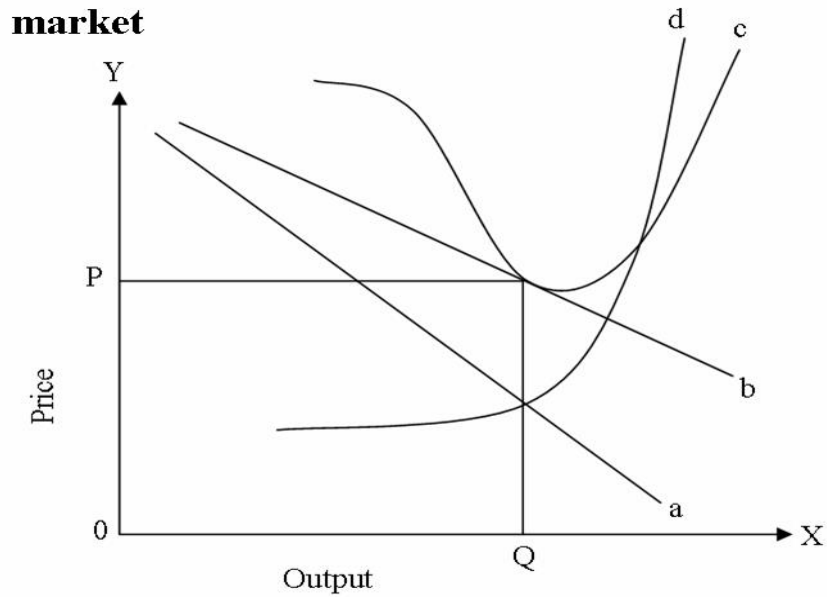
13. Mention **four** key roles of the staffing department in an organization (4mks)

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

14. Highlight **four** ways the manufacturers protect consumers from exploitation (4mks)

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

15. The following diagram represents long run equilibrium of a firm under monopolistic Competition market.



Label the curves represented by the letters a, b, c, and d (4mks)

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

16. State **four** disadvantages of locating a business away from other related businesses (4mks)

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

17. Outline **four** causes of cost push inflation (4mks)

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

18. Most business organizations find it quite expensive to undertake advertising.

Give four reasons for this undertaking despite the expenses involved. (4mks)

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

19. Mention **three** purposes of a general journal (3mks)
- a)
- b)
- c)
20. State **four** services offered by wholesalers to retailers (4mks)
- a)
- b)
- c)
- d)
21. Highlight **four** ways in which the nature of goods influences the choice of transport (4mks)
- a)
- b)
- c)
- d)
22. In each of the following transactions indicate the account to be debited and account to be credited. (4mks)

Transaction	Account to be debited	Account to be credited
i) Took cash from business for personal use		
ii) Bought goods on credit		
iii) Withdrew cash from bank for business use		
iv) Sold goods on credit		

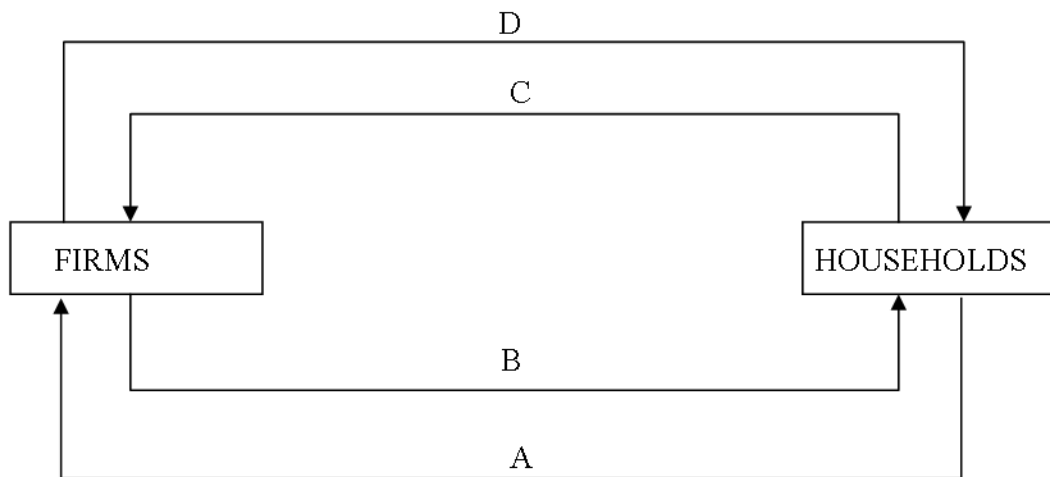
23. The following are some documents used in home trade. Invoice, proforma invoice credit note, consignment note. Match each document with the appropriate description provided in the table below. (4mks)

Description	Document
a) Used to make overcharge corrections to the invoice	
b) Issued to prove that a credit transaction has taken place	
c) Issued to an agent who sells goods on behalf of the seller	
d) Issued by a carrier to a seller	

24. Outline **four** functions of an office (4mks)

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

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



Label the parts represented by the letters a, b, c, and d (4mks)

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