

NAME INDEX NO.....

565/1
BUSINESS STUDIES

CANDIDATE'S SIGN.....

PAPER I
JULY/AUGUST 2010
TIME 2 HOURS

DATE.....

KENYA CERTIFICATE OF SECONDARY EDUCATION
FORM FOUR EVALUATION EXAMINATION

INSTRUCTIONS TO CANDIDATES

- Answer all questions in the spaces provided.

FOR EXAMINERS USE ONLY

QUESTION	1	2	3	4	5	6	7	8	9	10
MARKS										

QUESTION	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS															

TOTAL
MARKS

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1. Outline four ways in which the business is expected to be socially responsible to the employees. (4 marks)

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

2. What do you understand by the following terms?

- a) Free goods.....(1 mark)
- b) Producer goods.....(1 mark)
- c) Public goods.....(1 mark)
- d) Non-material goods
.....(1 mark)

3. State four functions of management. (4 marks)

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

4. Outline four demerits of Entrepreneurship.

(4 marks)

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

5. Outline four ways in which filling of documents facilitates smooth running of an office.

(4 marks)

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

6. Outline four circumstances under which a pro forma invoice may be used.

(4 marks)

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

7. Draw four differences between a quasi partner and a general partner. (4 marks)

Quasi Partner	General Partner
a)	a)
b)	b)
c)	c)
d)	d)

8. State four advantages of cart transport. (4 marks)

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

9. Highlight four causes of breakdown in communication. (4 marks)

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

10. Outline four features of a bonded warehouse. (4 marks)

- a).....
.....
- b).....
.....

- c).....

 d).....

11. Name the factor that each of the following resources relate to. (4 marks)

Resource	Factor of production
a) Manager	a)
b) Vehicle	b)
c) Owner	c)
d) Water	d)

12. Highlight four circumstances under which a co-operative society may be dissolved. (4 marks)

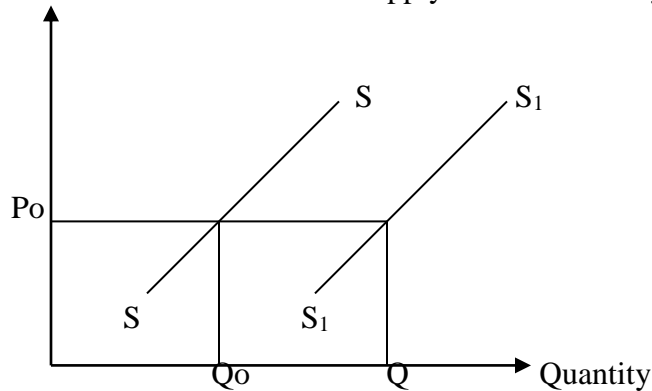
- a).....

 b).....

 c).....

 d).....

13. The figure below shows an increase in supply for a commodity from SS to S_1S_1 .



State four possible causes that have led to this situation. (4 marks)

- a).....

b).....
.....

c).....
.....

d).....
.....

14. Highlight four problems associated with the output approach in the measurement of national income. (4 marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....

15. State four role played by intermediaries in the distribution channel. (4 marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....

16. State four factors that determine fertility rate in a country. (4 marks)

a).....
.....

b).....
.....

- c).....
.....
- d).....
.....

17. Mention four types of unemployment. (4 marks)

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

18. Journalise the following transactions, which took place in the business of J. Maalim during the month of January 2006. (4 marks)

- Jan 5 Purchased office furniture on credit for shs.25,000 from Miugiza furniture limited.
- Jan 10 Sold old duplicating machine for shs.15,000 to Simba academy on credit.

19. Outline four types of errors that may cause a trial balance not to balance. (4 marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....

20. Outline four features of a monopoly. (4 marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....

21. State the importance of the following financial ratios.

a) Rate of stock turnover (1 mark)
.....
.....

b) Return on capital (1 mark)
.....
.....

c) Mark up (1 mk)
.....
.....

c) Working capital ratio (1 mark)
.....
.....

22. State four current trends in banking. (4 marks)

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

23. Indicate whether the following taxes are either direct taxes or indirect taxes. (4 marks)

Tax	Type of tax
a) Corporation tax	
b) Value added tax	
c) Income tax	
d) Capital gains tax	

24. The following information was extracted from the books of Rose Muthoni for the month of July 2004.

	Kshs.
Opening stock	22,000
Closing stock	26,000
Purchases	100,000
Mark up	10%

Prepare trading account for the month of 31st July 2004. (4 marks)

25. State 4 methods of trade restrictions. (4 marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....