

KAKAMEGA COUNTY JOINT EVALUATION EXAM

Kenya Certificate of Secondary Education

565/1

Business Studies

Paper 1

Time 2 hours

1. State four ways in which office documents can be reproduced. (4mks)
2. State four factors that may limit the efficiency of cooperative societies in delivering services to their members (4mks)
3. Highlight four factors that may hinder exploitation of natural resources in a country. (4mks)
4. State four differences between commercial and subsistence productions (4mks)
5. State four causes of changes in capital of a business
6. In the spaces provided state whether the errors in each of the following transactions will have **effect** or no **effect** on a agreement of a trial balance (4mks)

Transaction	Effect
(a) A purchase of office furniture sh.8000 was not recorded anywhere in the books	
(b) A credit sale to a customer sh.12000 was debited to another customers account	
(c) A cash sale of sh.5700 was recorded in the Sales account assh.570.	
(d) The cash account and a creditors account were both over stated by sh.300	

7. The following balances were extracted from the books of **LUTA Traders**.

Stock 1. 1. 2012	155,000
Purchases	656,000
Gross Profit	227,000
Sales	964,000

Required

Prepare Luta Trading Account for the year ended 31st December, 2012.

8. For each of the following transactions indicated the account to be debited and credited (4mks)

Transaction	Account to be Debited	Account to be Credited
Deposited business cash into the bank		
Took stock sh.1500 for family use		
Converted personal furniture into business use		
Received cash from a customer who had bought goods on credit		

9. For each of the following transaction, write the book of original entry in which the transaction should be recorded. (4mks)

Transaction	Book of Original Entry
Bought a motor vehicle on credit	
Sold goods on credit	
Returned goods previously bought on credit	
Paid rent by cash	

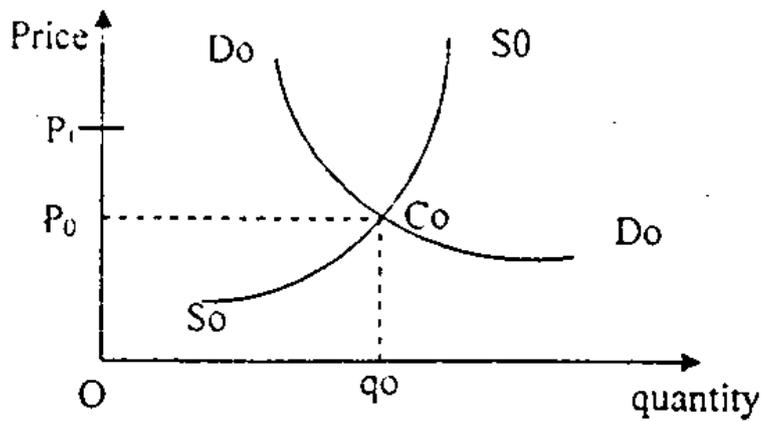
10. The following is an extract of a two column cash book of Twitter Retailers for the month of June 2011.

Cash Book

Date	Details	Cash	Bank	Date	Details	Cash	Bank
2011 June				2011 June			
1	Bal b/f	600			Bal b/f		10,000
8	Rita Sales	15,000			Bank	12,000	
16	Cash		12,000				

State the transactions recorded in the above cash book (4mks)

10. Highlight four benefits of hire purchase to a buyer of goods.
11. Outline **four** circumstances under which a government may find it necessary to form a parastatal (4mks)
13. State **four** features of a healthy business environment. (4mks)
14. Outline **four** benefits a business person would get from using a cellular (mobile) phone (4mks)
15. The diagram below represents the demand and supply of a commodity price.



- State four effects of fixing the market price at P_1 (4mks)
16. State **four** ways in which rivers serve as an economic resource in Kenya (4mks)
 17. Hair saloons are usually found in urban centres. State four reasons that may account for this choice of location (4mks)
 18. Give the meaning of the following terms as used in International trade. (4mks)
 - (i) Terms of Trade (T.O.T)
 - (ii) Balance of Trade (B. O. T)
 - (iii) Balance of Payment (B. O.P)
 - (iv) Visible Imports
 19. Highlight four negative effects of taxation in an economy (4mks)
 20. Outline four reasons that would influence a local manufacturer to distribute his goods through wholesalers (4mks)
 21. State four advantages that a small scale business may have over a large scale business (4mks)
 22. State four limitations of using bill boards in product promotion (4mks)
 23. Outline four uses of National income statistics to the government. (4mks)
 24. Outline four limitations of barter trade. (4mks)
 25. Highlight four internal weaknesses that a business may have in its operations. (4mks)

KAKAMEGA COUNTY JOINT EVALUATION EXAM

Kenya Certificate of Secondary Education

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Business Studies

Paper 2

Answer any five questions in the answer booklet provided

1. a) Explain any five means that a business can use to make payments through a commercial bank (10mks)
b) Describe five channels that may be used to export locally manufactured goods (10mks)
2. a) Discuss five advantages that will accrue to a country which adopts cash free trade in International Trade. (10mks)
b) On 1st July, 2010 Akale traders had cash in hand sh. 3,520 and cash at bank sh.13,000 (Cr).
During the month, the following transactions took place

July

- 2 cash sales sh .4,263 was paid direct into the bank
- 5 Received a cheque of sh. 1,410 from Ruth in full settlement of her account
- 9 Bought goods worth sh. 2,624 cash
- 12 Cash sales sh. 4,295
- 15 Paid Ndagoo sh. 2,375 cash in full settlement of his debt less 5% cash discount
- 17 Paid wages sh. 2,400 in cash
- 18 Withdrew sh. 3,600 from bank for office use
- 20 Bought stationery sh.75 cash
- 22 Cheque received from Ruth was dishonoured
- 25 Received a cheque sh. 950 from Omamo after deducting a 5% cash discount
- 28 All cash was banked except sh.2,000

Required

Prepare a three column cash book duly balanced.

3. a) With an aid of diagrams, outline three differences between a movement along the demand curve and a shift in the demand curve. (10mks)
b) The stock exchange market plays a vital role in economic development of a country.
Explain five functions of the stock exchange market.. (10mks)
4. a) Seruya traders would like to transport a herd of cattle from Busia to Mombasa.
Explain five reasons why she should transport them by rail rather than road. (10mks)
b) Explain five reasons why countries prepare development plans (10mks)
5. a) Describe five business malpractices that consumers need to be protected against. (10mks)
b) Explain five characteristics of human wants. (10mks)
6. a) Highlight five problems encountered when calculating consumer price indices (CPI) in determining the rate of inflation in an economy. (10mks)
b) The following information relates to the business of Olevai for the week ended 30th May 2013.

2013

- | | | |
|-----|----|--|
| May | 25 | Started business with sh. 160,000 cash |
| | 26 | Bought goods for sh.120,000 cash |
| | 27 | Cash sales sh.38,000 |
| | 28 | Paid electricity cash sh.1 ,000 |
| | 29 | Received cash sh.5,700 for rent |
| | 30 | Paid wages sh 6,000 cash |

Required

- (i) Open ledger accounts to record the above transactions
- (ii) Prepare a Trial Balance as at 30th May 2013.

UGENYA / UGUNJA DISTRICT JOINT EVALUATION, 2013

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

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BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

1. List four factors that lead to a healthy business environment. (4mks)
2. State four reasons why an organization may prefer to use short message services (SMS), instead of phone calls for communication. (4mks)
3. Highlight four benefits that a country is likely to acquire from the preparation of a proper development plan. (4mks)
4. Highlight four measures that a consumer may take to satisfy unlimited want. (4mks)
5. State four circumstances under which a trader would give discount to a customer. (4mks)
6. State five public utilities that the Kenyan government has put in place to facilitate the growth of business. (4mks)
7. Outline five features of a bonded warehouse. (5mks)
8. State five reasons why most companies have adopted the use of road shows to promote their products. (5mks)
9. Outline four features of monopolistic competition market structure. (4mks)
10. Highlight four merits of a high population to a country. (4mks)
11. For each of the following transaction, identify the account to be debited and the one to be credited.

	A/C debited	A/C credited
a) Started business with 10,000/= cash		
b) Bought office furniture by cheque		
c) Sold goods to O111010 on credit		
d) Took goods worth 20,000/= from the business for personal use.		

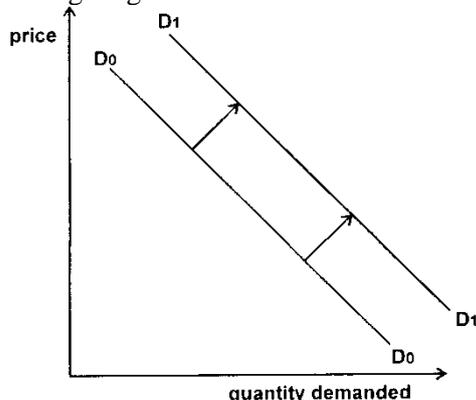
(8 x ½ = 4mks)

12. The following information was obtained from the books of Akili ni Mali traders on 31/12/2012 Sh.

Opening stock	35,000
Closing stock	45,000
Purchases	150,000
Margin	20%

Draw Akili ni Mali trading account.

13. State four ways in which the government can benefit from direct taxes. (4mks)
14. State four benefits that a country like Kenya may acquire from the establishment of Export Processing Zone (E P Z). (4mks)
15. Highlight four benefits that may accrue to a business from carrying out E-commerce. (4mks)
16. List four clauses contained in the memorandum of association. (4mks)
17. Outline four conditions that a risk has to fulfil for it to be insurable. (4mks)
18. The following diagram shows a shift in demand curve dodo to didi.



State four factors that may cause the shift in demand curve from dodo to didi. (4mks)

19. According to a recent study, the level of national income in Kenya has been rising steadily. Give four reasons to account for this. (4mks)
20. The following information relates to Business A, B, C and D.

Business	Capital	Assets	Liabilities
A	5500	16000	Q
B	9300	R	15 000
C	S	27 600	16 000
D	1940	T	2850

Determine the figures represented by the letters Q, R, S and T.

21. Below are some of the books of original entry, give the source documents used for each (4mks)

Books of original entry	Source document
Cash book	
Sales Journal	
Purchases journal	
Sales Returns Journal	

22. Highlight four negative effects of inflation to an economy. (4mks)

23. The following information relates to Okello traders.

Capital (Jan 1, 2011)	sh	130,000
Capital (Jan 31, 2011)	sh	140,000
Additional investments	sh	90,000
Drawings	sh	20,000

Determine the profit or loss made for the year. (4mks)

24. Enter the following details in the ledger accounts of Map em a and balance off the accounts on 4th December 2012. (5mks)

December 1 - Started the business with sh, 100 000 at bank

2 - Deposited sh 20 000 personal cash in the business bank account.

3 - Cashed sh 120 000

4 - Bought furniture with sh. 120 000 cash

UGENYA / UGUNJA DISTRICT JOINT EVALUATION, 2013

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

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BUSINESS STUDIES

PAPER 2

Time: 2 ½ hours

1. a) Highlight six factors that have contributed to the increase in the use of ‘matatus’ as a means of passenger transport. (12mks)
- b) Outline four factors to be considered when determining the most suitable business opportunity from a variety of business ideas. (8mks)
2. a) Explain five benefits that a business person acquires by expanding his/her firm. (10mks)
- b) Describe five ways in which commercial banks enhance development of business activities in the country. (10mks)
3. a) Outline five differences between a public corporation and a public limited company. (10mks)
- b) The following transactions relate to Kabarnet traders for the month of December 2007.
- | | | |
|------------|---|--|
| December 1 | - | Cash at bank sh 10000 |
| | | Cash in hand sh 90000 |
| 5 | - | Cash sales sh 80 000 |
| 8 | - | Paid the following creditors by cheque. Kitawi sh 1200, Kaven sh. 1500, Kevin sh. 1600 after deducting 10% cash discount in each case. |
| 10 | - | Received cheques from the following debtors after deducting 5% discount in each case; Omolo sh. 2000, Odhiambo 1800, Nehesa 1000 |
| 12 | - | Deposited sh 12 000 from the cash till into the business bank account. |
| 15 | - | Paid wages sh. 20 000 cash. |
- Prepare a three column cash book duly balanced for the month of December 2007.
4. a) Outline four advantages of selling goods on credit to a retailer. (8mks)
- b) The following transactions took place in Wareng traders in the month of June 2006.
- | | | |
|---------|---|---|
| June 4 | - | Sold goods on credit to Chebet sh. 14,000 and Kiprono 17,000 |
| June 7 | - | Bought goods on credit from Rudisha sh. 43, 000 |
| June 12 | - | Purchased goods on credit from Ruto sh. 64 000 and Alpha sh 28 000 |
| June 22 | - | Goods sold on credit to Chebet sh, 6,000, Cherotish sh. 10,000 and Kosgei sh.11,000 |
- Prepare the relevant journals. (12mks)
5. a) Outline four causes of structural unemployment. (5mks)
- b) Explain six considerations that the Kenyan government should look into before incurring any expenditure. (12mks)
6. a) Explain five circumstances under which a country may rely mostly on primary production.
- b) The following information was found in the books of accounts of Mogotio traders.
- | | |
|---------------------|--------|
| | sh. |
| Land and buildings | 300000 |
| Current liabilities | 125000 |
| Motor vehicle | 200000 |
| 4 year loan | 120000 |
| Current assets | 250000 |
| 2 year loan | 100000 |
- Calculate:
- a) Working capital (3mks)
- b) Capital employed (3mks)
- c) Capital owned (2mks)
- d) Borrowed capital (2mks)
-

MERU COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

565/1

BUSINESS STUDIES

PAPER 1

JULY/AUGUST, 2013

TIME: 2HOURS

1. In each of the following cases, state the type of unemployment described:
 - a) People being unemployed in all sectors of the economy due to insufficient aggregate demand
 - b) Several people doing work that could be done by only one man
 - c) People losing work due to firms adopting improved technology in their operations
 - d) People remaining unemployed only at certain times of the year
2. State the term given to each of the following disciplines:
 - a) Study of the process of identifying a business opportunity and acquiring resources to start and run a business
 - b) Study of trade and aids to trade
 - c) Study of how man strives to satisfy his unlimited wants using the limited resources
 - d) Study of the activities that are carried out in an office
3. The following balances were extracted from the books of Langat Traders as at 31 st December 2005.
Prepare a balance sheet for Langat Traders as at 31 st December 2005.
4. State four types of business activities carried out in Kenya. (4mks)
5. State four measures that may be taken by Kenyan government to control inflation. (4mks)
6. State four advantages of a public warehouse. (4mks)
7. Indicate with a tick (✓) whether the following resource is renewable or non-renewable.

	Resource	Renewable	Non-renewable
a.	Solar energy		
b.	Aluminium		
c.	Vehicle		
d.	Building stone		

8. Enter the following transactions in the relevant ledger accounts of Gat income Traders. (4mks)
2008:
Jan. 11: Started business by depositing in his bank account at family Bank Kshs. 200,000.
Jan 12: Bought stock Kshs. 10,000 by issuing a cheque to Patel Traders.
Jan 14: Withdrew 25,000 from the business to pay school fees for his children using a cheque.
Jan 25: Bought stock worth 5,000 on credit from Patel traders
9. State the level of production for each of the following activities: (4mks)
 - a) Cooking meals for students
 - b) Transporting kerosene from Nakuru to Kisumu
 - c) Boiling milk by electric power
 - d) Harvesting cane
10. State four characteristics of underdevelopment. (4mks)
11. State four services that retailers render to consumers. (4mks)
12. State four limitations of Facebook as a way of communication to the user in the social media. (4mks)
13. The following statements refer to errors that are not revealed by a trial balance. Indicate the appropriate error that is best described by each of the statement below. (4mks)

Statement

Error

- a) A transaction occurs and entries are made in the opposite sides
 - b) A transaction takes place but nothing about it is recorded in the books of accounts -----
 - c) A transaction occurs and a wrong amount is entered on the source document -----
 - d) An entry is made in the wrong account of the same class with correct amount -----
14. State four disadvantages of pipelines as a mode of transport (4mks)
 15. The statement below refer to documents used in international trade. Indicate the document described by each statement. (4mks)

Statement

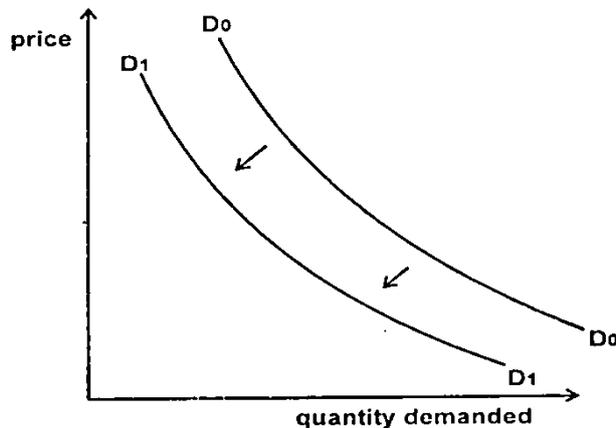
Document

- a) It is a document used by an exporter to declare the origin of goods
 - b) Document used by the importer to give detailed description of goods required _____
 - c) A letter used by a commercial bank as a guarantee of payment of the amount due to the exporter upon receiving the goods
 - d) A document prepared when goods ordered are loaded into the ship _____
16. State four circumstances when personal selling is appropriate. (4mks)

17. State four internal diseconomies of scale. (4mks)
 18. Give three motives for holding money. (3mks)
 19. State four features of life assurance. (4mks)
 20. For each of the following transaction, indicate with a tick (✓) in the spaces provided whether the following business transactions will increase, decrease or have no effect on the balance sheet totals .

	Transactions	Effect on the balance sheet		
		Increase	Decrease	No effect
a)	buying stock on credit			
b)	Withdrawing cash for personal use			
c)	Bought stock in cash			
d)	Paying creditors in cash			

21. The diagram below shows shift of demand curve from D_0 to D_1 ,



- a) State four factors that could have led to the above situation. (4mks)
 22. The following information relates to Ameru Enterprises.
 Average stock shs.40,000
 Rate of stock turnover 2 times
 Mark up 20%
 From the data above, determine:
 a) Cost of Goods sold
 b) The gross profit
 c) Sales (4mks)
 23. State four features of preference shares. (4mks)
 24. State four demerits of Pay As You Earn (PAYE) (4mks)
 25. Give four ways of reproduction of documents in an office.

MERU COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

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BUSINESS STUDIES

PAPER 2

JULY/AUGUST, 2013

TIME: 2½ HOURS

Answer any five questions

- 1 a) Every institution has office staff which should have certain prescribed code of behaviour. Explain FIVE office etiquette of an office secretary. (10mks)
 b) The following transactions were extracted from the books of NKUNDI Enterprise for the month of August 2010.
 i) August 1st cash in hand Ksh. 13,000 and at bank Ksh. 28,000.
 ii) August 3rd cash sales amounting to Ksh. 15,000.
 iii) August 5th received Ksh. 7,800 from Mwenda after deduction of 21/2% cash discount.
 iv) August 7th paid Kananu Ksh. 17,000 by cheque in full settlement of her account of Ksh. 17,500.

- v) August 9th received Ksh. 19,000 from Kawira after allowing 5% cash discount.
vi) August 10th Deposited Ksh. 15,000 into the bank from the cash till.
vii) August 11th Took Ksh. 9,500 cash for personal use.
viii) August 15th paid Baraza Ksh. 8,800 after deducting 12% cash discount by cheque. ix) August 20th Banked some cash leaving Ksh. 12,300 in the cash till.

Required: Prepare a three column cash book for Nkundi Enterprise duly balanced. (10mks)

- 2 a) Explain FIVE causes of unemployment in Kenya. (10mks)
b) Explain FIVE factors that made the government to establish Export Processing Zone (EPZ) (10mks)
- 3 a) Despite the coming of digital televisions, some traders would still not prefer television as a media of advertisement in Kenya. Explain FIVE likely reasons for this. (10mks)
b) Mr Mafuko wishes to start a business. Explain FIVE reasons as to why he should draw a business plan. (10mks)
- 4 a) Explain FIVE roles of stock exchange (Security exchange market) as a market for securities
b) Explain FIVE features Oligopoly market structure. (10mks)
- 5 a) Explain FIVE methods that government uses to protect consumers. (10mks)
b) Explain FIVE limitations of using per capita income as a measure of Economic welfare in a country. (10mks)
- 6 a) Give four differences between commercial banks and non-banking financial institutions. (5mks)
b) The following books of original entry relate to Jaribu Traders for the month of April 20 II.

SALES JOURNAL

DATE	PARTICULARS	INVOICE NO.	FOLIO	AMOUNT
2011				ksh
April 2	Karani			70,000
April 15	Farida			120,000
April 30				190,000

PURCHASES JOURNAL

DATE	PARTICULARS	INVOICE NO.	FOLIO	AMOUNT
2011				ksh
April 1	Adams wholesalers			250,000
April 18	Uhuru Enterprises			120,000
April 30				370,000

SALES RETURNS JOURNAL

DATE	PARTICULARS	INVOICE NO.	FOLIO	AMOUNT
2011				ksh
April 5	Karani			2,500
April 20	Farida			5,000
April 30				7,500

PURCHASES RETURNS JOURNAL

DATE	PARTICULARS	INVOICE NO.	FOLIO	AMOUNT
2011				ksh
April 4	Adams wholesalers			10,000
April 21	Uhuru Enterprises			8,350

(5mks)

GEM FORM FOUR JOINT EVALUATION, 2013.

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

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BUSINESS STUDIES

PAPER 1

JULY/AUGUST, 2013

TIME: 2HOURS

1. State four ways in which human wants can become habitual. (4 marks)
2. Identify the macro-environmental factors affecting business operations as described by the following. (4 marks)

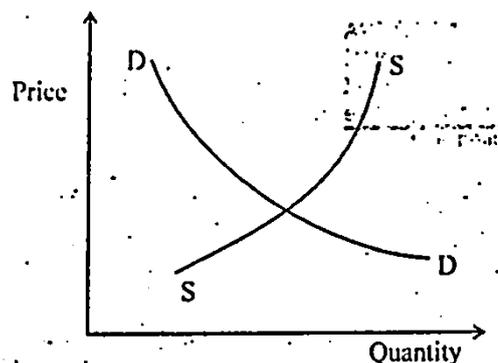
Statements

Factor

- | <u>Statements</u> | <u>Factor</u> |
|--|---------------|
| a) Law and policies that regulate business activities. | |
| b) Affects buyers ability to buy commodities offered by a business | |
| c) Firms selling similar products trying to outdo each other in the efforts to maximise profits. | |
| d) Dictates how people live and what products they consume. | |
3. A company intends to introduce a new product into the Kenyan market. Outline four factors that should be considered in *selecting* a suitable medium for promotion. (4 marks)
 4. Most political parties manifestos had employment creation as a matter of priority. Highlight four ways which employment could be created. (4 marks)
 5. Outline four problems that can be faced by producers in the absence of intermediaries in the chain of distribution. (4 marks)
 6. A firm that was established four years ago has had its capital changing. Give four possible causes for this change. (4 marks)
 7. The document shown below was issued by Jimcar traders to Mueni.

JIMCAR TRADERS BOX 5 NAKURU		
To: Mueni Box 20 Kericho	No:012 Date: 20th June 2010	
We have credited your account as follows	AMOUNT	
	Shs	Cts
	15000	00
10 copies of receipt books returned by you to us		
Sign Total	15,000	00

- Outline four circumstances under which the above document may be issued. (4 marks)
8. The following information relates to Chui Enterprises Ltd. for the period ended 31st January 2013
Sales shs 1,000,000
Stock (31/12/2012) shs 100,000
Stock (31/1/2013) Shs 25% on cost of sales
Gross profit margin 20%
Required Gross profit Cost of sales Mark up.
 9. Till: inflation rate in Kenya moved up from 6.4% to 9.5%. State four positive effects of this change (4 marks)
 10. Indicate in the diagram below the effect of a rise in price of factors of production on the equilibrium price and equilibrium quantity.



11. Outline four ways through which the central bank may increase money supply in the economy. (4 marks)
11. Identify the relevant source documents and books of original entry used in each of these transactions.

		Transaction	Source document	Book of original entry
a)	Bought loads on credit			
b)	Received settlement of a debt in cash			
c)	A customer returned goods to the business			
d)	Paid money for fare to the office messenger from the cash box			

13. Highlight four merits of using indirect taxes to raise government revenue. (4 marks)
14. Outline four roles played by Nairobi Stock Exchange. (4 marks)
15. State four ways in which landscaped office layout may be created. (4 marks)
16. Record the following transactions in the relevant ledger accounts.
- i) On 1st January 2013 Kamau started a business with shs.150,000 at bank
- ii) On 3rd January 2013 he bought stock worth shs.500,000 and made payment using a cheque
- iii) On 5th January 2013 bought motorcycle for the business worth 7000/= on credit
- iv) On 10th January 2013 withdrew 20000/= from bank for office use.
17. Outline four demerits of government involvement in business activities. (4 marks)
18. With Kenya targeting Millennium Development Goals and visions 2030, planning has become key component in their realization. Outline four qualities of a good development plan. (4 marks)
19. Outline four benefits of e-commerce in transacting business in an organization. (4 marks)
20. State four ways in which consumers are likely to suffer in a situation where there is no warehousing facilities
21. State four limitations of using national income statistics to compare the standards of living in different countries. (4 marks)
22. The conditions given below describes the various market structures. Write the correct market structure against each of the following conditions in the spaces provided.

Conditions

Market structure.

- | | |
|---|--|
| a) Market structure determines price of the product | |
| b) There is free entry and exist | |
| c) Market structure with many sellers of different products | |
| d) Products involved is homogenous. | |
23. China obtained a surplus in its balance of payment in their last fiscal year. Give four factors that could have contributed to this surplus. (4 marks)
24. State four factors that would make it necessary for Kenya Re-insurance company to cover other insurance companies. (4 marks)
25. Miguna who recently resigned from work would like to invest his benefits in either of two business options. State four factors that Miguna should consider in choosing the business to invests (4 marks)

GEM FORM FOUR JOINT EVALUATION, 2013.

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

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BUSINESS STUDIES

PAPER 2

JULY/AUGUST, 2013

TIME: 2½ HOURS

Answer any five questions

1. a) Traders at Marikiti market have always preferred to transport their produce by hand carts.
Explain five reasons that may account for their continued use of handcarts as a mode of transport. (10 marks)
- b) A group of business women from Wagai centre have formed a cartel.
Explain five reasons could have led them to take such an action. (10 marks)
2. a) Explain five benefits that a trader would get by advertising his/her goods through the radio (10 marks)
- b) A businessman wishes to obtain a loan from National bank of Kenya.
Highlight FIVE conditions that he should satisfy before the bank can grant him the loan. (10 mark)
3. a) Explain the five principles of public expenditure. (10 marks)
- b) Outline five benefits that a country would get by encouraging businessmen to locate new industries in rural areas. (10 marks)
4. a) On 1st September 2008, Juma had shs 55,000 cash in hand and shs 250,000 cash at bank.
During the month, the following transactions took place.
Sept. 2: Cash sales banked shs 35,260 Sept. 3: Bought ribbons in cash shs 4500
Sept. 8: Paid Wangila, a creditor shs 94,000 by cheque in full settlement of his account after deducting 6% discount.
Sept. 12: Received a cheque for shs 58,800 from Waweru after allowing him a cash discount of shs 1200
Sept. 15: Paid salaries shs 34,000 in cash
Sept. 25: Withdrew shs 50,000 from bank for office use.
Sept. 28: Anyango, a debtor paid her account of shs 75,000 by cheque less 10% cash discount
Sept. 30: Deposited all the cash into the bank except shs 13,700
Prepare a three column cash book and balance it off.
- b) Highlight five benefits that Kenya gets from trading with other countries.
5. a) A to Z manufacturers who have been selling their products directly to retailers have decided to distribute their products through wholesalers. Explain five benefits that A to Z manufacturers may get from this new arrangement. (10 marks)
- b) Outline five measures that the government of Kenya has put in place to protect consumers from unscrupulous business practices. (10 marks)
6. a) Discuss four insurance policies that the owner of a supermarket may find it useful for the business. (8 marks)
- b) Mwalimu Traders had the following balances as at 31st December, 2012

	sh
Building	540,000
Bank Joan	472,000
Debtors	116,900
Creditors	227,000
Furniture	408,170
Gross profit	520,600
Motor vehicle	900,000
Discount allowed	1 42,000
Lighting	25,200
Interest on loan	1,200
Closing stock	72,500
Rent received	120,000
Repairs on buildings	60,000
Repairs on furniture	72,030
Repairs on vehicle	300,000
General expenses	102,000
Capital	1.400.000

Prepare:

- i) Profit and loss account for the year ended 31st December, 2012
- ii) Balance sheet as at 31st December, 2012. (12 marks)

EMBU COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

565/1

BUSINESS STUDIES

PAPER 1

JULY/AUGUST, 2013

TIME: 2HOURS

1. Give four circumstances under which a seller would issue a proforma invoice. (4mks)
2. Identify four elements of internal business environment that may positively influence the performance of a business. (4mks)
3. Using the book keeping equation fill in the blank spaces in the table below. (3mks)

Assets	Capital	Liabilities
sh	sh	sh
490,250		62,080
		27400
	322,600	
500,000	105,020	

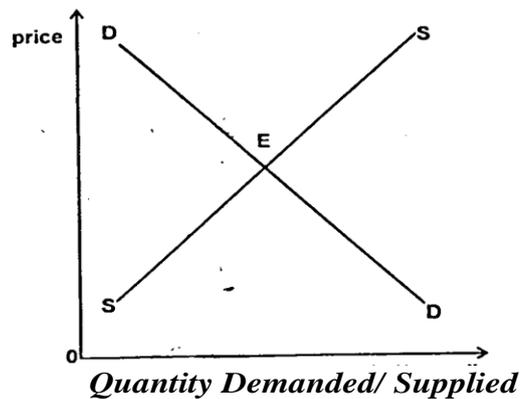
4. Give four circumstances under which a manufacturer would use informative advertising. (4mks)
5. Give four reasons why importers prefer to use water transport. (4mks)
6. In day to day living, human beings have to make choices when satisfying their wants.
Give four reasons why human beings have to make these choices. (4mks)
7. Outline four ways in which government uses revenue collected from various sources. (4mks)
8. Give four benefits likely to accrue to the government as a result of privatization of public enterprises. (4mks)
9. Give four reasons why an insurance company may reinsure. (4mks)
10. Highlight four reasons why letters continue to be used as a means of communication. (4mks)
11. Highlight four features of oligopoly market structures. (4mks)
12. Outline four circumstances under which a manufacturer would sell products directly to the final consumer. (4mks)
13. The Kenyan government is a signatory to the millennium declaration which stipulates the millennium development goals (MDG's). Highlight four of these development goals. (4mks)
14. Highlight four ways in which international monetary fund (IMF) facilitates international trade. (4mks)
15. Outline four problems that have undermined the development of human resources in Kenya. (4mks)
16. Omondi is a new businessman, operating a small kiosk.
Between 2nd June and 8th June 20 10, he had the following transactions.
 - a) Started business with sh 100,000 in cash.
 - b) Bought stock sh 140,000, sh 80,000 in cash and sh 60,000 on credit.
 - c) Sold some stock worth sh 60,000 for sh 90,000 cash.
 - d) Paid for stock on credit sh 30,000 cash.
 - e) Deposited sh 10,000 into the business bank account required.Prepare his balance sheet as at 8th June 2007. (5mks)
17. Give four factors that may contribute to the high rate of unemployment in Kenya. (4mks)
18. Give four errors that may cause a trial balance not to balance. (4mks)
19. Highlight four ways the Central Bank acts as a banker to the government. (4mks)
20. State four monetary policies that can be used by the government to control inflation.
21. The following information was acquired from the books of Weka traders on 31 December 2012.

	sh.
Purchases	1,350,000
Opening stock	170,000
Gross profit	200,000
Margin	20%

Calculate:

- a) Cost of sales (3mks)
- b) Closing stock. (2mks)
22. Highlight four factors that a potential entrepreneur should consider when evaluating the viability of a business opportunity.

23. The diagram below shows demand and supply curves of a commodity.



Show on the diagram what happens to the equilibrium price and quantity when demand increases and quantity supplied remains constant. (4mks)

24. Give four measures an office can undertake to safeguard and control assets of an organisation. (4mks)

25. The following is a list of source documents. Indicate the book of original entry related to each document. (4mks)

	Document	Books of original entry
i)	Incoming invoice	
ii)	Outgoing credit note	
iii)	Outgoing receipts.	
iv)	Payment voucher for purchase of postage stamps	

EMBU COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

565/2

BUSINESS STUDIES

PAPER 2

JULY/AUGUST, 2013

TIME: 2½ HOURS

Answer any five questions

- 1 a) Explain five ways in which the government can provide an enabling environment for business activities in Kenya. (10mks)
- b) Explain five factors that may lead to deteriorating terms of trade for a country engaged in international trade. (10mks)
- 2 a) Country x is experiencing high national income. Explain five factors that could have contributed to this. (10mks)
- b) Kwamboka and M ukami want to start a business. Explain to them five reasons why they should start a partnership business instead of each starting a sole proprietorship business. (10mks)
- 3 a) Mwangi started a business with sh 60,000 in cash and sh 500,000 in the bank on 2nd January 2012. During the month the following transactions took place.
 Jan 4: Made cash sales of sh 40 000.
 Jan 5: Banked sh 35000 from the cash till.
 Jan 6: Settled Koechs account of sh 12000 by cheque after being allowed a discount of 10%.
 Jan 10: Paid workers salaries sh 80,000 by cheque.
 Jan 15: Made credit sales to Oticno for goods worth sh. 5000.
 Jan 20: Chao a debtor paid cash sh 5000 in full settlement of her account less sh 500 cash discount.
 Jan 21: Withdrew cash sh 3000 for personal use.
 Jan 25: Banked all the cash except sh 17000.
 Jan 28: Ileri a debtor issued a cheque of sh 23750 in full settlement of his account after being allowed a discount of 5%.
 Jan 30: Mwangi the owner of the business brought sh 10,000 cash into the business from personal sources.
Required:
 Prepare a three column cash book, duly balanced. (10mks)
- b) Outline five advantages of personal selling as a method of product promotion. (10mks)
- 4 a) The following Trial balance was got from the books of Ishiara Traders Ltd.

Ishiara Traders Ltd.

Trial Balance

As at 31 December, 2011

	Dr.	Cr
Stock	160,000	
Returns	6,000	8,500
Purchases	556,000	
ales		982,500
Salaries	42,000	
Commission	120,000	
Rent		20,000
Travelling expenses	60,000	
Bad debts	105,000	
Carriage inwards	15,000	
Carriage outwards	40,000	
General expenses	380,000	
Debtors/creditors	200,000	320,000
Cash	142,000	
Bank		80,000
Furniture	220,000	
Building	400,000	
Capital		1035000
	2,446,000	2,446,000

Stock on 31.12.2011 was valued at sh. 200,000.

From the above information prepare a Trading profit and loss for Ishiara Traders Ltd.

(12mks)

- b) Agricultural products need to be stored. Explain four ways the consumers would benefit from storage of agricultural produce. (8mks)
5. a) Explain five reasons that account for the popularity of bank current accounts with business people. (10mks)
- b) Discuss five factors that may make a firm to locate near source of its raw materials. (10mks)
- 6 a) The following information was got from the books of Wega traders during the month of June 2012
- June 1: Sold goods on credit worth sh 8,000 to Anyango .
- June 1: Sent an invoice to Njue for sh 14,000.
- June 10: Received a credit note from Karimi for sh. 6,000.
- June 11: Received an invoice from Musyoka for sh. 15,000.
- June 15: Sold goods in cash to Kamau worth sh. 5,000.
- June 16: Bought goods worth sh. 20,000 on credit from Mwanyumba.
- June 20: Made cash purchases of sh 3,000 from Muthoni.
- June 24: Purchased goods worth sh. 30,000 from Njuguna on credit.
- June 30: Sold goods worth sh 16,000 on credit to Michael.
- Prepare:
- i) A purchases day book
- ii) A sales journal
- b) Office workers are expected to have appropriate office etiquette. Describe any five of them expected from a good office worker. (10mks)

Cash	
Commissions	
AFC loans	
Juma (creditors)	
Buildings	
Drawings	
Sales	
Rent income	

20. Highlight four importance of a journal to business organization. (4 marks)
21. State the uses of the following documents as used in international trade. (4 marks)
- Indent
 - Letter of credit
 - Certificate of origin
 - Consular invoice
22. Outline three reasons why people hold money instead of other assets. (3 marks)
23. Highlight four reasons to account for increased use of motorbikes as a means of transport in Kenya today. (4 marks)
24. Outline four government initiated methods for consumers' protection. (4 marks)
25. State four other methods of determining price of goods and services apart from price mechanism. (4 marks)

GUCHA SOUTH FORM FOUR EVALUATION TEST

Kenya Certificate of Secondary Education

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Business Studies

Paper 2

July/August, 2013

- Explain five ways in which transport contribute to economic development in Kenya. (10 marks)
 - Explain five features that distinguish a public limited company and a private limited company (10 marks)
- Explain five ways in which Savings and Credit Cooperative Societies (SACCOs) have benefited their members. (10 marks)
 - The following Trial balance was extracted from the books of Kisii traders on 31 st December 2011

KISII TRADERS

Trial balance as at 31 st December 2012

	Dr.	Cr.
	Shs	Shs
Purchases	140,000	
Bad debts	8,000	
Creditors		17,000
Salaries	28,000	
Stock 1.1.2012	25,000	
Bank overdraft		15,000
Sales		190,000
Cash in hand	5,000	
Fixed assets	164,000	
Debtors	21,000	
General expenses	10,400	
Returns inwards	3,000	
Capital		177,600
Returns outwards		4,800
	<u>404,000</u>	<u>404,000</u>

Additional information

Closing stock was valued at shs 13,000

Salary outstanding was shs 5,600

Prepare:

- i) Trading, profit and loss account for the period ended 31st Dec. 2012 (6 marks)
- ii) Balance sheet as at 31 st December 2012 (4 marks)
3. a) Explain six circumstances under which a country may allow international trade. (12 marks)
- b) Explain four factors that may influence the level of national development in a country. (8 marks)
4. a) Explain five types of unemployment in an economy. (10 marks)
- b) Explain five circumstances under which a business person may use after sales service as a tool for sales promotion. (10 marks)
5. a) Explain five reasons why small scale business Organisation are still popular despite the benefits associated with large scale operations. (10 marks)
- b) Explain five demerits associated with monopolistic type of market structure to a consumer (10 marks)
6. a) Explain five features of a current account offered by commercial banks.
- b) The following transactions relate to Moni traders for the year ended 31st May 2010 (10 marks)
May 2010
 - 1 Received cash from debtors shs 150,000
 - 2 Paid rent shs 16,000
 - 3 Bought goods for resale cash shs 14,000
 - 4 Sold goods for shs 45,000 less 10% cash discount
 - 5 Paid cash for the following expenses:- stationary shs 4000, insurance shs 3000 rates shs 4000 and wages shs 1000
 - 6 A debtor paid cash shs 17,000
 - 7 Bought goods worth shs 60,000 on credit from Jambazi traders.
 - 8 Debtors paid cash shs 20,000 in full settlement of a debt of shs 23,000
 - 9 Paid for goods shs 4,000 less 5% cash discount.

Required:

Prepare a cash receipts and payment journals. (10 marks)

KAJIADO COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

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BUSINESS STUDIES

PAPER 1

JULY/AUGUST, 2013

TIME: 2HOURS

1. The following are types of office equipment. Cash register, composite machine, guillotine and dictaphone. Match each equipment with its appropriate function. (4 marks)

<u>Function</u>	<u>Type of equipment</u>
b) Fold document, place them in envelopes and seal the envelope	
b) Recording information on tapes	
c) Preparation of cash receipts	
d) Trimming documents into size	
2. Outline four circumstances under which audio-visual communication would be appropriate. (4 marks)
3. State four features of oligopolistic market structures. (4 marks)
4. Outline four ways in which structural unemployment can be solved. (4 marks)
5. Osiligi wholesalers made the following purchases on credit during the month of June 2012.
June 1 st Bought goods from Sankari at shs 5000
June 3rd Bought goods from Naserian shs 6200 June 4th Bought goods from Kamau shs 2750 June 15th Bought goods from Mopel shs 3170 June 26th Bought goods from Patel shs 9200 June 30th Bought goods from Owino shs 4250
Prepare a purchase Journal for the period ended June 30th 2012 (4 marks)
6. A form four school leaver intends to start a business. Outline four ways in which knowledge of business studies will benefit him. (4 marks)
7. Outline four features of ordinary shares. (4 marks)
8. Indicate by putting a tick (.,') whether the following factors influences demand or supply. (4 marks)

Factor	Demand	Supply
Increase in prices of inputs		
Change in fashion		
Technological advancement		
Increase in salaries		

9. Give four factors that determine the amount of money an individual would hold I (H speculative motives). (4 marks)
10. Outline four strategies which a business can employ in order to be ahead of its competitors. (4 marks)
12. A distributing firm has been constantly supplying counterfeit goods. Outline four measures that the Traders' Association can take to stop this member from such malpractice. (4 marks)
12. Slate four benefits of recycling waste to a community. (4 marks)
13. Highlight four challenges encountered when calculating consumer price indices. (4 marks)
14. State two characteristics of each of the following types of consumer goods.
- a) Convenience goods(2 marks)
- b) Specialty goods..... (2marks)
15. State four features of an efficient transport system (4 marks)
16. During the month of January 2012 Kamunge made sales worth shs 600.000. His markup was 25%, calculate
- a) Gross profit. (5 marks)
- b) The cost of goods sold.
17. The following bank account was extracted from the ledger books of Nyota Njema Enterprises in the month of July 2012

BANK ACCOUNT			
2012			2012
July 20 Sales	20,000		July 1st bal b/d 10,000
July 25 Rent	10,000		July 5 th purchases 10,000
			July 10 drawing 5,000
			July 28 salaries 10,000

- a) Balance of the ledger account given above as at 28th July 2012. (1 mark)
- b) Identify the transactions that took place on (3 marks)
- a) July 5th.
- b) July 10th.
- c) July 25th.
18. Highlight four benefits of warehousing facilities to a trader. (4 marks)
19. State four ways in which a trader can make an order for his goods. (4 marks)
20. In the spaces provided below, identify the business document used in international trader to which each of the following statements relates (4 marks)

	Statement	Document
a)	An order sent by an importer to an agent in the exporting country	
b)	It acknowledges the receipt of goods on board a ship	
c)	Written by the exporter to his/her bank authorizing it to sell the goods being exported	
d)	Demands for payment before delivery of goods	

21. The following information was obtained from the books of Otiende Enterprises.
Closing capital as at 31/12/12 was shs 180,000
- Drawings for the period was shs 5,000
 - Net loss was shs 15,000
 - Additional investment during the year was shs 30,000
- Required
Calculate Otiende Enterprises Initial capital (4 marks)
22. Give three reasons why two insurance companies may come together to insure the same property against the same risk. (3 marks)
23. Outline four assumptions made in the circular flow of income model for a two-sector economy. (4 marks)
24. Outline four circumstances under which a bank may not honour a cheque. (4 marks)

25. In the spaces provided, indicate with a (X) whether each of the following transaction will increase, decrease or have no effect in the balance sheet. (4 marks)

	TRANSACTION	INCREASE	DECREASE	NO EFFECT
a)	Selling stock in cash at a profit			
b)	Converting a business van into private use			
c)	Buying stock on credit			
d)	Purchasing stock in cash			

KAJIADO COUNTY FORM FOUR JOINT EVALUATION, 2013.

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

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BUSINESS STUDIES

PAPER 2

JULY/AUGUST, 2013

TIME: 2½ HOURS

Answer any five questions

1. a) Describe FIVE characteristics of a successful entrepreneur. (10 marks)
b) Outline FIVE differences between a Public Limited Company and a Co-operative society. (10 marks)
2. a) Explain FIVE reasons why a government may find it necessary to impose tax. (10 marks)
b) Zangi is a manufacturer of locally consumed goods. Describe FIVE channels that Zangi can use to distribute his products. (10marks)
3. a) Explain FIVE reasons why hypermarkets have become increasingly popular with consumers. (10 marks)
b) The table below shows the National income of two countries X and Y in the year 2012.

COUNTRY	X	Y
National income (in million pounds)	102,253	330,000

- Explain FIVE factors that may have led to the differences in the levels national income between the two countries. (10 marks)
4. a) Tamasha enterprises deals in a popular brand of toothpaste. Explain FIVE reasons why Tamasha enterprises would continue to advertise the toothpaste despite its popularity. (10 marks)
b) Outline FIVE services offered by the central bank of Kenya to commercial banks. (10 marks)
 5. a) Explain FIVE benefits of e-commerce to traders.
b) Explain FIVE reasons why firms may merge. (10 marks)
 6. a) Outline FOUR differences between economic growth and economic development. (8 marks)
b) The following balances were extracted from the books of Tembo traders for the year ended 31 December, 2012
Required:
 - i) Prepare Tembo's balance sheet as at 31-12-2012 (6 marks)
Calculate
 - ii) Working capital ratio (2 marks)
 - iii) Capital employed (2 marks)
 - iv) Return on capital (2 marks)