

NAME..... INDEX NO.....

565/1  
BUSINESS STUDIES  
PAPER 1

CANDIDATE'S SIGN.....

DATE.....

TIME: 2 HOURS

## CENTRAL KENYA NATIONAL SCHOOLS JOINT EXAM - 2015

Kenya Certificate of Secondary Education  
BUSINESS STUDIES  
PAPER 1  
TIME: 2 HOURS.

### INSTRUCTIONS TO CANDIDATE'S

Answer **ALL** the questions in the spaces provided **below** each question.

### **FOR EXAMINER'S USE ONLY:**

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Marks														

Question	15	16	17	18	19	20	21	22	23	24	25
Marks											

TOTAL MARKS

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1. Describe **four** challenges encountered in satisfaction of human wants. (4 marks)
- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
2. Outline **four** circumstances under which a perfectly competitive market structure may exist. (4 marks)
- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
3. Outline **four** measures that the sender of a message should take in order to enhance effective communication. (4 marks)
- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
4. Outline **four** features of direct production. (4 marks)
- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
5. State **four** function of money. (4 marks)
- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_

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6. Workout the missing figures and fill in the table below. (4 marks)

Opening stock Kshs.	Gross profit Kshs.	Closing stock Kshs.	Net purchases Kshs.	Cost of sales Kshs.	Net sales Kshs.
12,000	18,000	(i) _____	82,000	(ii) _____	97,000
(iii) _____	12,000	24,000	76,000	80,000	(iv) _____

7. State **four** conditions that must be fulfilled before an insurer can agree to compensate a client. (4 marks)

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

8. Outline **four** benefits that many accrue to a firm as a result of increase in its scale of production. (4 marks)

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

9. Maji Safi Traders had the following information by 30th June 2012.

	Kshs.
Carriage Outwards	9,000
Outstanding loan	25,000
Bad debts.	4,000
Return inwards	10,000
Closing stock	5,000
Carriage Inwards	7,000
Insurance	35,000
Capital	50,000
Prepayments	15,000
Returns outwards.	5,000

Required:

Prepare Maji Safi's Trial Balance as at 30th June 2012.

(4 marks)

10. Outline **four** circumstances under which deferred payment is acceptable to a trader. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

11. Highlight **four** factors that influence the choice of a suitable distribution channel for agricultural produce. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

12. Name the factors of production that each of the following resources relates to

	Resources	Factors of production
(a)	Cotton	
(b)	Water	
(c)	Manager	
(d)	Owner	

13. Give **four** services rendered by producer's co-operative societies to their members. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

14. Identify **four** methods of reproducing documents in an office. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

15. State **four** negative effects of unemployment. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

16. List down **four** sources of public finance. (4 marks)

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

17. State **four** uses of a bill of lading in international trade. (4 marks)

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

18. Complete the table below showing, the accounts to be debited and those to be credited. (4 marks)

	Transaction	Account to be debited	Account to be credited
(a)	Goods bought in cash		
(b)	Sold a motor van receiving payment by cheques		
(c)	Returned goods to James		
(d)	Withdraw stock for personal use.		

19. Identify **four** factors that can slow down a country's rate of economic development. (4 marks)

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

20. Identify **four** market gaps whose existence can create a business opportunity for an entrepreneur.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

21. Describe **four** elements of transport. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

22. List down **four** securities that are traded at Nairobi Stock exchange market. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

23. Identify **four** benefits of operating a private warehouse. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

24. Highlight **four** circumstances in which an entrepreneur would prefer to operate a small business. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

25. Identify **three** activities in primary level of production. (4 marks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_