

NAME:.....INDEX

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565/1

BUSINESS STUDIES

PAPER 1

JULY / AUGUST, 2012

2 HOURS

KISUMU EAST AND NORTH DISTRICT JOINT EXAMINATION
Kenya certificate of secondary education 2010

565/1

BUSINESS STUDIES

PAPER 1

JULY / AUGUST 2012

INSTRUCTIONS TO CANDIDATES

- ❖ Answer all questions in the spaces provided in the question paper
- ❖ All your workings to be shown

For Examiners Use Only

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|----|----|----------------|
| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | TOTAL MARKS |
| | | | | | | | | | | | | |

1. Outline **four** challenges associated with the satisfaction of human wants. (4mks)
 - a)
 - b)
 - c)
 - d)

2. Highlight **four** ways in which manufacturers can enhance consumer protection. (4mks)
 - a)
 - b)
 - c)
 - d)

3. State **four** ways in which the government may influence the price of a commodity. (4mks)
 - a)
 - b)
 - c)
 - d)

4. Outline **four** features of demand deposit account. (4mks)
 - a)
 - b)
 - c)
 - d)

5. The balances below relates to Eureka Traders for the year ended 31st December 2010.

| | <u>Shs.</u> |
|------------------|-------------|
| Capital | ? |
| 2 year Bank loan | 230,020 |
| Creditors | 95,200 |
| Fixed assets | 480,000 |
| Current assets | 145,220 |

Determine the following

i.) Working capital. (2mks)

ii.) Capital employed. (2mks)

6. Classify the following accounts as either real or nominal. (4mks)

| Account | Class |
|-------------------|-------|
| Delivery van | |
| Purchases | |
| Insurance premium | |
| Commission income | |

7. Highlight **four** measures that the government would undertake to provide investors with an enabling business environment. (4mks)

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

8. Outline **four** circumstances under which downwards communication would be appropriate in an organization. (4mks)

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

9. State **four** limitations of using national income statistics to compare the standards of living in different countries. (4mks)

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

10. State **four** merits of using indirect taxes to raise government revenue. (4mks)

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

11. State **four** components of a business plan. (4mks)

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

12. Outline **four** demerits of using pipeline to transport petroleum products. (4mks)

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

13. Highlight **four** circumstances which may make personal selling appropriate as a way of product Promotion. (4mks)

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

14. Maneno traders had the following balances as at 6thJanuary 2012. (4mks)

| | |
|-----------------|---------|
| Land & building | 150,000 |
| Cash in hand | 25,500 |
| Creditors | 15,000 |
| Bank overdraft | 30,000 |
| Purchases | 18,000 |
| Sales | 30,000 |
| Returns inwards | 5,000 |

Required;

A trial balance as at 6thJanuary 2012

15. Outline four monetary methods that the government can use to control inflation. (4mks)

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

16. Name the office machines used to perform the following functions. (4mks)

| Function | Machine |
|---|---------|
| a) To fold documents, place them in the envelope and seal. | |
| b) Used to transmit printed messages such as Letters ,maps diagrams and photographs | |
| c) Reproducing documents from a master copy(stencil) | |
| d) Printing postage impressions on the envelopes | |

17. Outline **four** distinctions between monopolistic competition and oligopoly. (4mks)

| Monopolistic competition | Oligopoly |
|--------------------------|-----------|
| (a) | |
| (b) | |
| (c) | |
| (d) | |

18. Highlight four disadvantages of producer co-operative societies. (4mks)

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

19. State **four** objectives of export processing zones in Kenya. (4mks)

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

20. Outline four advantages of overpopulation in Kenya. (4mks)

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

21. Highlight **four** benefits of a bonded warehouse to the government. (4mks)

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

22. State **four** features of a departmental store. (4mks)

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

23. Outline **four** conditions which are necessary for a successful development plan. (4mks)

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

24. State **four** purposes of a three column cash book. (4mks)

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

25. Highlight four features of general insurance. (4mks)

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