

Name..... Index No.....
 School..... Candidate's sign.....
 Date.....

565/1
BUSINESS STUDIES
Paper 1
July/August 2010
TIME: 2 Hours

KWANZA DISTRICT JOINT EVALUATION EX AM – 2010
Kenya Certificate of Secondary Education (K.C.S.E)

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BUSINESS STUDIES
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INSTRUCTIONS TO CANDIDATES.

1. Answer all questions
2. Write your answers in the spaces provided.

EXAMINER'S USE ONLY

NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14
SCORE														

15	16	17	18	19	20	21	22	23	24	25

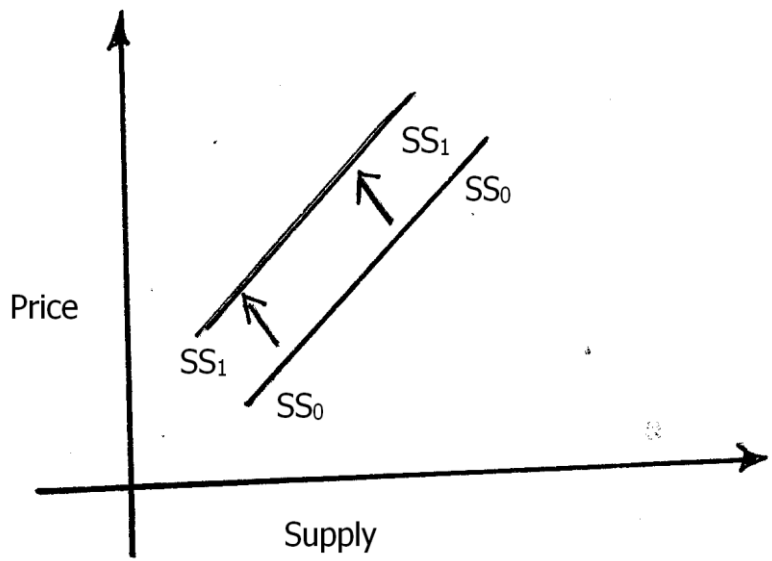
GRAND SCORE	
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*This paper consists of 12 printed pages. Candidates should check the question paper to
 Ensure that all the pages are printed as indicated and no questions are missing.*

1. Highlight four reasons for making choices between competing wants. (4mks)

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

2. The following diagram shows a shift in supply curve,



State four factors that may have led to this shift. (4mks)

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

3. Highlight four demerits of using motorcycles as a means of transport. (4mks)
- a).....
.....
- b).....
.....
- c).....
.....
- d).....
.....
4. Mention four features of a fixed deposit account. (4mks)
- a).....
.....
- b).....
.....
- c).....
.....
- d).....
.....
5. State four occupations engaged in tertiary level of production (4mks)
- a).....
.....
- b).....
.....
- c).....
.....
- d).....
.....

6. Moraa, a dairy farmer in Kwanza District sells milk directly to her consumers. **Give four** reasons that may have led to such a decision. (4mks)

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

7. **Outline four** limitations of open market operations as a means of controlling inflation. (4mks)

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

8. Identify weather the following factors form the external or internal environment. (5mks)

Factors	External	Internal
a) Political climate		
b) Size of population		
c) Goals and objectives		
d) Employees		
e) Finance		

9. Mention four rules to effective communication. (4mks)
- a).....
.....
- b).....
.....
- c).....
.....
- d).....
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10. State four features of public goods/services. (4mks)
- a).....
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- b).....
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- c).....
.....
- d).....
.....

11. Record the following transactions in their appropriate ledger Accounts.
- 1 Jan 2004 Kamau started a shop business with Kshs.10,000 in cash and Kshs.20,000 in bank.
- 2 Jan 2004 bought goods Kshs.12,000 by cheque.
- 10 Jan 2004, paid Kshs.1,000 for salaries in cash (4mks)

12. Highlight four barriers to entrepreneurial development. (4mks)
- a).....

 b).....

 c).....

 d).....

13. What is meant by the following terms. (4mks)
- a) Gifts

 b) Free samples

 c) Discounts

 d) Public relations.

14. From the following information, prepare a Statement of Affairs to determine the capital. (4mks)

	<u>Kshs.</u>
Debtors	60,000
Creditors	180,000
Cash in hand	110,000
Rent income due	6,000
Electricity due	2,000
Furniture	28,000

15. Highlight four roles that small firms play in underdeveloped countries. (4mks)
- a).....
.....
 - b).....
.....
 - c).....
.....
 - d).....
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16. Mention four advantages of departmental filing system. (4mks)
- a).....
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 - b).....
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 - c).....
.....
 - d).....
.....

20. Give four limitations to international trade. (4mks)
- a).....
.....
- b).....
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- c).....
.....
- d).....
.....
21. Outline four conditions that may restrict firms from entering a particular market. (4mks)
- a).....
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- b).....
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- c).....
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- d).....
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22. State five problems encountered in development planning. (5mks)
- a).....
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- b).....
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- c).....
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- d).....
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23. Highlight four functions of marketing boards.

(4mks)

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