

Name.....  
 School.....  
 Candidate's Signature.....

Index No...../  
 Date .....

565/1  
**BUSINESS STUDIES**  
 Paper 1  
 JULY/AUGUST - 2012  
**Time: 2 Hours**

**MBITA-SUBA DISTRICTS JOINT EVALUATION TEST– 2012**  
*Kenya Certificate of Secondary Education (K.C.S.E)*

565/1  
**BUSINESS STUDIES**  
 Paper 1  
 JULY/AUGUST - 2012  
**Time: 2 Hours**

**INSTRUCTIONS TO CANDIDATES**

1. Write your **name, Index number** and **school** in the spaces provided above.
2. Sign and write the name of your school and date of the examination in the spaces provided above.
3. Answer **all** the questions.
3. All answers **must be** written in the spaces provided .
4. Candidates **should check** the question paper to **ascertain that** all the pages are printed as indicated and no questions are missing.

**FOR EXAMINERS USE ONLY.**

Qs No.	1	2	3	4	5	6	7	8	9	10	11	12
Marks												
Qs No.	13	14	15	16	17	18	19	20	21	22	23	24
Marks												
Qs No.	25											
Marks												

**Total Marks**

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

1. In the spaces provided, state the type of insurance policy described in each case. (4mks)

- a) **Premium are paid over a stated period with the sum assured payable when insured dues**
- b) **Covers a vehicle against all losses arising from its authorized use.**
- c) **Covers loss, damage or injury accidentally caused to other people by the insured , hrs property, employees, pets or agents.**
- d) **Covers goods and money lost in private and commercial premises.**

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

2. State **FOUR** circumstances under which a seller would require a buyer to pay cash with order C.W.O. (4mks)

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

3. State **FOUR** ways in which the nature of goods would influence the choice of transport. (4mks)

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

4. Highlight **FOUR** limitations of consumer initiated methods in consumer protection. (4mks)

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

5. Give **FOUR** difficulties faced by human beings in satisfying human wants. (4mks)

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

6. State **FOUR** services offered to commercial banks by the central bank of Kenya. (4mks)

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

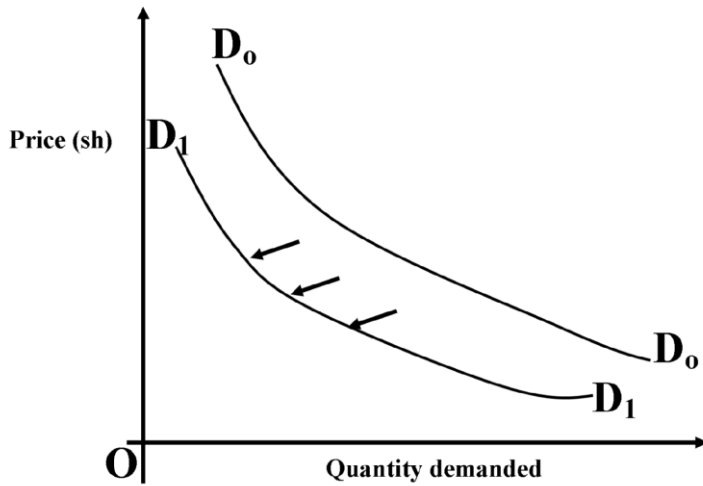
7. List **FOUR** sources of public finances. (4mks)

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

8. Give **FOUR** reasons why an office is necessary in any organization. (4mks)

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

9. The diagram below shows a shift in demand for rice.



Identify **FOUR** factors that could have made the demand curve shift from  $D_0D_0$  to  $D_1D_1$ . (4mks)

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

10. State **FOUR** ways in which the stock of a business may change. (4mks)

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

11. Outline **FOUR** benefits of business ethnics. (4mks)

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

12. The following information related to businesses A,B ,Cand D

<b>BUSINESS</b>	<b>ASSESTS</b>	<b>LIABILITIES</b>	<b>CAPITAL</b>
<b>A</b>	250,000	M	150,000
<b>B</b>	N	400,000	600,000
<b>C</b>	150,000	60,000	P
<b>D</b>	350,000	Q	250,000

Determine the figures represented by M,N,P, and Q (4mks)

- M .....
- .....
- N .....
- .....
- P .....
- .....
- Q .....
- .....



14. The following account balances were obtained from the books of Kaswanga Traders on 30<sup>th</sup> June 2011.

	<u>Sh</u>
Land and buildings	- 200,000
Current assets	- 420,000
Furniture	- 60,000
Motor car	- 240,000
Capital	- 480,000
Current liabilities	- 440,000

**Required** : Prepare a trial balance for Kaswanga Traders as at 30<sup>th</sup> June 2011

15. The following information was extracted from the books of Gembe Retailers for the year ended 31<sup>st</sup> December,2010

	<u>Sh</u>
Cost of sales	1,200,000
Stock as at 1.1.2010	160,000
Stock as at 31.12.2010	240,000

Calculate the rate of stock turnover.

(4mks)



16. The following balances were extracted from the books of Watber Traders as at 31<sup>st</sup> December, 2009.

	<b>Sh</b>
Capital	620,000
Motor van	300,000
Stock	140,000
Furniture	100,000
Debtors	120,000
Creditors	60,000
Bank	20,000

Additional information:

On 31<sup>st</sup> December, 2009 Watber Traders receiver cheques amounting to Sh 40,000  
From debtors as part payment of their accounts

Prepare Watber Traders balance sheet as at 31<sup>st</sup> December,2009. (4mks)

17. Name the factor of production that each of the following resources relate to. (4mks)

Resource	Factor of production
a) Accountant	
b) Motor vehicle	
c) Water	
d) Owner	

18. State **FOUR** benefits that a government gets from a bonded warehouse. (4mks)

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

19. List **FOUR** features of effective communication. (4mks)

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

20. Give **FOUR** disadvantages of a long chain of distribution of goods to a buyer. (4mks)

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

21. Outline **FOUR** features of a sole proprietorship form of business organization. (4mks)

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

22. List **FOUR** causes of business failure. (4mks)

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

23. State **FOUR** reasons why a cheque may be dishonoured by a bank. (4mks)

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

24. State **FOUR** circumstances under which a trader would advertise his products over the radio instead of television. (4mks)

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

25. On 1 -8-2010, Onyango bought goods on credit quoted at sh 200,000. Terms of sale were 20% trade discount and 10% cash discount if payment was made on 29 – 8- 2010

Calculate the amount paid of payment was made on 26 – 08 – 2010.

**END**