

NAME:..... INDEX NO.....  
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565/1  
**BUSINESS STUDIES**  
Paper 1  
March/April, 2011  
Time: 2½ Hours

**MOKASA JOINT EVALUATION EXAMINATION**  
Kenya Certificate of Secondary Education (K.C.S.E)  
565/1  
Business Studies  
Paper 1  
March/April, 2011

**Instructions To Candidates**

- Write your name and index number in the spaces provided above
- Sign and write the date of examination in the spaces provided above
- All questions in the spaces provided.

***For Examiner's Use Only***

Q	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
Marks																									

**Total Marks**

1. Highlight four features of partnership form of business ( 4 mks)
2. State four main mail special delivery services offered by the postal corporation
3. State the document described below

	Description	Document
(a)	Show the type of expenses incurred, the amount of money spent and the purpose of incurring such expenses	
(b)	Services as evidence that cash has been incurred or paid out	
(c)	Used to demand payment for credit sales	
(d)	Sent to one to indicate that his/ her account with the supplier has been reduced	

4. Outline four measures that can be undertaken by a country to control cost- push inflation ( 4 mks)
5. Highlight five causes of income inequalities ( 5 mks)
6. In the relation to tax structure, label the following graph ( 3 mks)
7. State four contents of a business plan ( 4 mks)
8. Complete the following table ( 4 mks)

	Assets	Capital	Liabilities
(a)	2,061,018	_____	1,200,012
(b)	248,920	162,120	_____
(c)	_____	2,999,120	4,001,000
(d)	72, 930	_____	46, 218

9. Outline four measures being put up by the government of Kenya to reduce traffic congestions in urban centers ( 4 mks)
10. The following information was extracted from the books of Alpha Traders

Kshs	
Opening stock	60,000
Closing stock	25,000
Purchases	120,000
Gross profit	45,000

Calculate

- (a) Margin ( 2 mks)
  - (b) Rate of stock turnover ( 2 mks)
11. Give four differences between an oligopolistic and monopolistic market structure (4 mks)
  12. Record the following transactions in relevant ledger accounts ( 4 mks)
    - October 1. Commenced business with Kshs 90,000 cash
    - October 2. Bought goods worth Kshs 35,000 on credit
    - October 5 Bought office equipment worth Kshs 45,000 in cash
    - October 10 Sold goods worth Kshs 5000 cash

13. Indicate the member of staff corresponding to each of the following description of duties (4 mks)

	Description of duty	Staff Member
(a)	Keeping the books of accounts	
(b)	Responsible for all legal matters of a company	
(c)	Supervising junior secretarial staff	
(d)	Performs general unskilled office duties	

14. Outline four merits of direct production (4 mks)

15. Outline four activities involved in the storage of warehousing (4 mks)

16. State four functions of finance houses (4 mks)

17. The following diagram illustrates the change in demand for a product

State four causes of the shift of the demand curve (4 mks)

18. Despite Kenya being endowed with numerous resources, it is still facing a big problem of poverty.

Highlight four factors responsible for this (4 mks)

19. Outline four negative effects of industrialization to an economy (4 mks)

20. Give the meaning of the following types of unemployment

(i) Disguised unemployment (2 mks)

(ii) Structural unemployment (2 mks)

21. Highlight four disadvantages of using after sales services as a means of product promotion (4 mks)

22. State four reasons why consumer associations have not succeeded in their efforts to protect consumers from exploitation (4 mks)

23. Outline four marine policies (4 mks)

24. Outline four disadvantages of a cheque as a means of payment (4 mks)

25. Highlight four purposes of a cash book (4 mks)