

Name Index No.

School

565/1

BUSINESS STUDIES

Paper 1

March 20123

2 Hours

CROSS COUNTRY JOINT REGISRATION EXAM – 2013

Kenya Certificate of Secondary Education (K.C.S.E)

INSTRUCTIONS TO CANDIDATES:

- Answer ALL the questions in the spaces provided.

FOR EXAMINERS 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

This paper consists of 4 printed pages

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

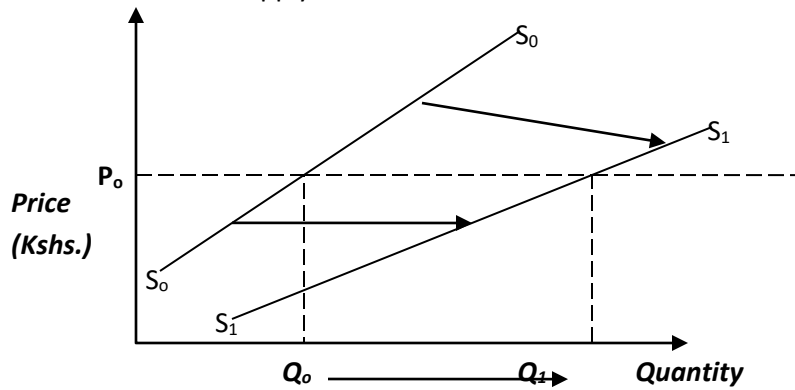
1. Highlight **four** features of land as a factor of production (4mks)

- (i)
- (ii)
- (iii)
- (iv)

2. State **four** factors that may limit an individual ability to satisfy his/her basic wants (4mks)

- (i)
- (ii)
- (iii)
- (iv)

3. The diagram below shows a supply curve S_0S_0 and S_1S_1



Highlight **four** factors to account for the above shift (4mks)

- (i)
- (ii)
- (iii)
- (iv)

4. Briefly explain the meaning of the following in relation to a bill of exchange (4mks)

- (a) Discounting.....
- (b) Maturity date.....
- (c) Acceptor.....

5. State the documents used for each of the following purposes (2mks)

Purpose	Document
To inform the customer that the account has been reduced	
Contains a summary of transactions for a specified period of time between a seller and a buyer	
To ask a dealer to supply specific goods	
To inform a customer that the account has been increased	

6. Highlight **four** problems faced by the government in measuring national income (4mks)

- (i)
- (ii)
- (iii)
- (iv)

7. The following trial balance was incorrectly prepared

**Juma Traders
Trial balance
As on 31st December, 2006**

Accounts	Dr	Cr
Capital	120,000	
Debtors		20,000
Bank		100,000
Insurance	2,000	
Fixtures	40,000	
Stock	19,000	
Premises		92,000
Creditors		40,000
Bank loan	113,000	
	294,000	252,000

Required: Prepare a correct trial balance

(5mks)

8. Outline any **four** reasons that account for the popularity of motorbikes as means of transport (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
9. Give **four** measures being used by the government to attract foreign investors (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
10. Outline **four** characteristics of oligopoly market (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
11. Outline **five** positive implications of high population growth rate in the country (5mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)
12. Zain mobile company is running “Angukia milioni promotion.” Highlight **four** benefits of this method of advertising (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
13. State four responsibilities of customs officials in a bonded warehouse. (4mks)

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14. Outline four reasons for crossing cheques. (4mks)

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15. Give four reasons for re –insurance. (4mks)

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16. Mention four barriers to effective communication in an organization. (4mks)

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17. Highlight four problems associated with the income approach of national income computation. (4mks)

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18. Mogondo Traders Started business one year ago with an investment of ksh 1,500,000. At the end of the year their Capital was 1,900,000 and his monthly drawing was sh. 20,000 calculate their profit for the year

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(4mks)

19. State the uses of the following documents as used in home trade

(4mks)

(i) Credit note

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(ii) Proforma invoice

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(iii) Quotation.

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(iv) Delivery note.

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20. Outline **four** factors that influence choice of appropriate means of transport (4mks)

- (i)
- (ii)
- (iii)
- (iv)

21. Distinguish between derived demand and joint demand (4mks)

- (i) Derived demand
.....
.....
- (ii) Joint demand
.....
.....

22. On 1st Jan 2010, Twiga traders had Kshs. 85,000 cash in hand and a bank credit balance of Kshs. 88,000. During the month, the following transactions took place

- Jan 2nd cash sales Kshs, 209,400
- Jan 6th a debtor settled his accounts of Kshs. 500,000 by cheque less 5% cash discount
- Jan 16th paid salaries Kshs. 30,000 in cash.
- Jan 21st settled a creditor account of Kshs. 20,000 by cheque less 2 % cash discount.

Required: Enter the above transaction in three column cashbook (4mks)

23. Outline **four** measures that can be used to stimulate employment in the rural areas. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

24. State **four** factors that can influence the location of firms (4mks)

- (i)
- (ii)
- (iii)

(iv)

25. Outline **four** factors which affect the circular flow of income

(4mks)

(i)

(ii)

(iii)

(iv)