

NAME _____ INDEX NO. _____

DATE _____ CANDIDATE'S SIGNATURE _____

365/1

BUSINESS STUDIES

PAPER 1

JAN/FEB 2013

2 HOURS

BUNYORE –MARANDA ENROLMENT EXAMS 2013

THE KENYA CERTIFICATE OF SECONDARY EDUCATION

BUSINESS STUDIES

PAPER 1

2HRS

INSTRUCTIONS TO CANDIDATES

- This papers consists of 8 printed pages
- Answer all questions in the spaces provided

For examiner's use only

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12
MARKS												

13	14	15	16	17	18	19	20	21	22	23	24	25	26

1. State ways by which the following utilities are created

Type of utility	Way (s) of creation
Form	
Possessive	
Time	
place	

2. Mention four roles played by intermediaries in the distribution chain of goods (4mks)

.....

3. State any four trends in product promotion (4mks)

.....

4. Highlight four sources of government revenue (4mks)

.....

5. Outline four circumstances under which one would prefer cash rather than cheque payment (4mks)

.....

6. Give any four policies in marine insurance (4mks)

.....

7. The following assets and liabilities of BUMA traders on 31st Oct. 2011

	sh
Furniture	18,000
Bank loan (5yrs)	332,100
Motor van	342,000
Stock	189,000
Debtors	8,000
Cash at bank	505,000
Creditors	59,800
Capital	500,000

Required:

Prepare the balance sheet of BUMA traders as at 31st October, 2011 in order of permanency.

(4mks)

8. Outline the provisions of the partnership Act of 1963 regarding the following (4mks)
- Inspection of books of account
.....
 - Interest on capital
.....
 - Capital contribution
.....
 - Admission of a new partner
.....
9. Highlight four negative effects of inflation in a country (4mks)
.....
.....
.....
.....
10. State four factors that encourage entrepreneurial practices in Kenya today (4mks)
.....
.....
.....
.....
11. Give four essentials of a functional warehouse (4mks)
.....
.....
.....
.....
12. On 1st January, 2009, Lesti Enterprises started a business with 123,500 and 100,000 in bank and cash respectively. During the year, the following transactions took place:
- Jan. 2 bought office furniture shs. 5,000
 '6 bought goods on credit shs. 12, 400 from Kanzu Traders
 "10 bought goods shs. 800 in cash
 "18 sold goods for shs. 17,000 to Nyamu Traders on credit
 "20 returned goods worth shs. 1400 to Kanzu Traders
 "24 sold goods for shs. 3,000 in cash
 "25 deposited shs. 12,000 from cash till into the bank account
 "30 Nyamu Traders returned goods for shs. 300
- Required:
 Post the above transactions in bank and capital accounts and balance them off. (4mks)

13. Outline four ways by which the government can protect the consumers (4mks)

.....
.....
.....
.....

14. Mention four characteristics of basic human wants (4mks)

.....
.....
.....
.....

15. The following information relates to Kwetu Traders

Average stock	35000
Cost of sales	21000
Net sales	265000
Net profit	18000

Required: calculate,

- i. Gross profit
- ii. Rat of stock turnover
- iii. Total expenses

16. Highlight four factors to consider when selecting the means of communication (4mks)

.....
.....
.....
.....

17. Outline four characteristics of an asset as one of the terms used in business (4mks)

.....
.....
.....

18. State four micro environmental factors that affect business operations (4mks)

.....
.....
.....

19. Outline four factors that can lead to dissolution of a co-operative society (4mks)

.....
.....
.....

20. State four functions of the central bank (4mks)

.....
.....
.....

21. Outline four reasons for the continued existence of portorage despite the presence of more advanced means of transport (4mks)

.....
.....
.....

22. State whether the following items are assets or liabilities of a business entity

ITEM ASSET/LIABILITY

- a. Creditors
- b. Insurance paid in advance
- c. Rent owing
- d. Debtors
- e. Bank overdraft
- f. Premises
- g. CFC loan
- h. Lawn mover

23. Identify four roles of office equipment in an organization (4mks)

.....
.....
.....

24. The following transactions took place during the month of June in the books of Tawala Traders 2010

June 10 Paul transporters returned goods worth 4,000. Credit note no. 602

“18 Rawila returned part of the goods sold to him amounting to shs. 450. Credit note no. 603

“25 Mwamboka returned wrong size goods worth shs. 1,000 which had been sold to him earlier note no. 604.

Required: Record above transactions in their relevant journal

25. Outline four measures that can take by the government to solve the problem of unemployment in Kenya today. (4mks)

.....
.....
.....
.....