

**KIAMBU INTERZONAL
KENYA CERTIFICATE OF SECONDARY EDUCATION**

565/1

BUSINESS STUDIES

PAPER 1

JULY/AUGUST-2009

TIME: 2 HOURS

1. Kaunda kiosk sells its goods at 20% margin for the year ended 30th April 2006. Its trade line activities were as follows;

Purchases	Ksh. 800,000
Sales	Ksh. 750,000
Closing stock	kshs. 200,000
Net profit	5% of sales

There was no opening stock.

Required: Prepare Trading, profit and loss A/C for the business. (5 marks)

2. State the benefits that Kenya is likely to benefit from privatization of its parastatals. (4 marks)
3. Highlight 4 benefits associated with the used of containers in transportation today. (4 marks)
4. Give four features of multinational corporations. (4 marks)
5. Highlight the principles of a good business budget. (4 marks)
6. Outline five factors that an investor should consider when choosing a valuable investment. (5 marks)
7. Give four differences between money order and postal order. (4 marks)
8. Outline five functions of an office. (5 marks)
9. State four disadvantages of ATM(Automatic teller Machine) (4 marks)
10. Outline four measures that the Kenya government can take to conserve forests which are great economic importance to the country. (4 marks)
11. Show the effect of the following transactions to the capital of a business by indicating(+) for increase (0) for no change and (-) for decrease in capital. (4 marks)

Transaction

effect

- (i) bought a machine for the business from his private savings.
- (ii) Paid creditors cash Kshs. 2,000

- (iii) Withdrew ksh. 13,000 from the business account to pay his sons school fees.
- (iv) Deposite cash in hand Ksh. 30,000 In the business account.

12. give four roles of the central bank in the development of the economy. (4 marks)
13. With the help of a diagram state in each case;- (4 marks)
 - (a) The law of demand
 - (b) The law of supply
14. List four sources of finance for public limited companies in Kenya. (4 marks)
15. Indicate the type of utility created by each of the following. (4 marks)
 - (a) Shop keeping
 - (b) Transport
 - (c) Banking
 - (d) Warehousing
16. Outline the stages involved in the satisfaction of human wants. (4 marks)
17. State 4 sources of public finance. (4 marks)
18. List four characteristics of services (4 marks)
19. Highlight four ways in which business can improve it's human resources. (4 marks)
20. Mutinda insured his house for ksh. 720,000 against fire. The house was valued at Ksh. 1000,000. Part of the house valued at ksh. 60,000 was destroyed by fire. Calculate the amount of money Mutinda can claim for compensation. (4 marks)
21. State any four current trends in communication in Kenya. (4 marks)
22. Mention four features of preference shares. (4 marks)
23. Enumerate four disadvantages of an open office plan. (4 marks)
24. the following information was extracted from a petty cash book of Maris Stella.

Balance b/d	Ksh. 6960
Total payments	ksh. 25,000
Balanced c/d	ksh. 5,000

- Calculate the amount received on reimbursement and the amount of imperest. (4marks)
25. State four causes of demand pull inflation. (4 marks)