

Name: Index No:

Candidate's signature.....

Date.....

Muungano KCSE Trial Exam

565/1
BUSINESS STUDIES
PAPER 1
July 2017
2 Hours

INSTRUCTIONS TO CANDIDATESAnswer *all* the questions in the spaces provided**For Examiner's Use Only**

Question	1	2	3	4	5	6	7	8	9	10	11	12	13
Marks													

Question	15	16	17	18	19	20	21	22	23	24	25
Marks											

This paper consists of 7 printed Pages

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

Turn Over

Answer all questions in the spaces provided.

1. **Give four** circumstances under which a trader may find deferred payment appropriate.(4mks)

- a)
- b)
- c)
- d)

2. **Highlight four** benefits that the Kenya government derives from a bonded warehouse. (4mks)

- a)
- b)
- c)
- d)

3. **Outline four circumstances** under which a high population growth rate may be desirable. (4mks)

- a)
- b)
- c)
- d)

4. **Outline four** roles played by the central bank in the development of the economy. (4mks)

- a)
- b)
- c)
- d)

5. **Indicate** in the space provided the account to **debit** and the account to **credit** in the following transaction. (4mks)

<u>Transaction</u>	<u>Account to Debit</u>	<u>Account to credit</u>
a) Started business with shs 50,000 cash
b) Received a cheque from a debtor
c) Took cash from till for personal use
d) Bought stock on credit



6. **State four characteristics** of basic human wants. (4mks)

- a)
- b)
- c)
- d)

7. **Identify the type** of partners described by the following statements. (4mks)

- a) Does not contribute capital but allows his / her name to be used.
- b) Is thirty years old?
- c) Liable for the partnership's debt up to his / her capital contribution.
- d) Plays an active role in the day – to – day management of the partnership.

8. **State four types** of demand. (4mks)

- a)
- b)
- c)
- d)

9. **Name any four services/activities** carried out in the process of distribution. (4mks)

- a)
- b)
- c)
- d)

10. **State four reasons** why books of original entry are important. (4mks)

- a)
- b)
- c)
- d)

11. **State four situations** when the terms of trade for a country are favorable. (4mks)

- a)
- b)
- c)
- d)



12. **Name four benefits** derived from division labor and specialization. (4mks)

- a)
- b)
- c)
- d)

13. **Identify four reasons** why the government needs to protect consumers from exploitation. . (4mks)

- a)
- b)
- c)
- d)

14. **Identify four** types of policies that Uchumi Supermarket may take to cover possible risks in the business. (4mks)

- a)
- b)
- c)
- d)

15. **Name four classes** of advertisement. (4mks)

- a)
- b)
- c)
- d)

16. **Identify four negative effects** of development. (4mks)

- a)
- b)
- c)
- d)

17. **Highlight four** uses of national income statistics to an economy.

- a)
- b)
- c)
- d)



18. **Record** the following transaction in a two column cash book (4mks)
 June 1 cash balance shs 600 bank overdraft shs 250
 June 6 bought goods shs 200 and paid in cash
 June 8 received a cheque of shs 500 from a debtor

19. **Match** the following types of taxes with the appropriate description given below.
 Corporate tax, customs duty, Estate duty, Excise duty.

	<i>Description</i>	<i>Tax</i>
(a)	It is a tax levied on manufactured goods	
(b)	It is a tax levied on wealth of a person after death	
(c)	It is a tax levied on entry of goods into a country	
(d)	It is a tax levied on profits of business enterprises.	

20. McGeorge enterprises supplied the following information about his business as at 31st Dec 2016.

Cash in hand	shs 12,000
Creditors	shs. 350,000
Furniture	shs 20,000
Pick up	shs 200,000
Debtors	shs 16,000

- Prepare** a balance sheet from the information. (4mks)

21. **Outline four** benefits of using e-mail for communication. (4mks)

- a)
- b)
- c)
- d)

22. **State four ways** in which the government may promote entrepreneurship in a country. (4mks)

- a)
- b)
- c)
- d)

23. **Give four Circumstances** under which a consignment of goods can be air lifted. (4mks)

- a)
- b)
- c)
- d)

24. **Identify** the business environment to which each of the following factors relate, by ticking in the relevant column. (4mks)

<i>Factor</i>	<i>Internal environment</i>	<i>External environment</i>
a Management cycle		
b Raw materials		
c Employee motivation		
d Population structure		

25. **State four undesirable effects** of inflation to the Kenyan economy. (4mks)

- a)
- b)
- c)
- d)

