

NAME..... INDEX NO.....

565/1
BUSINESS STUDIES
PAPER 1
JULY/AUGUST, 2015
TIME: 2 HOURS

CANDIDATE'S SIGN.....

DATE.....

CENTRAL KENYA NATIONAL SCHOOLS JOINT MOCK - 2015

Kenya Certificate of Secondary Education
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS.

INSTRUCTIONS TO CANDIDATE'S

This paper consists of **25** questions.

Answer **ALL** the questions in the spaces provided **below** each question.

FOR EXAMINER'S 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

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Business Studies Paper 1

Turnover

1. State whether each of the following activities would satisfy basic or secondary wants. (4 marks)

Activities	Basic	Secondary
(a) Buying clothes for the family.		
(b) Transporting milk.		
(c) Providing food for school children.		
(d) Entertaining the President.		

2. Outline **four** reasons why a new business may fail. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

3. Outline **four** advantages a consumer enjoys when he/she buys directly from a manufacturer. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

4. Highlight **four** reasons that make a current account popular among the business people. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

5. Boda boda/motorcycles have become popular in Kenya today. Outline **four** demerits of this mode of transport. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

6. Highlight **four** circumstances under which deferred payment is acceptable to a trader. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

7. Give **four** reasons why the government should impose taxes upon its citizens apart from raising revenue. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

8. State the best type of machine one would use to perform the following tasks. (4 marks)

(a)	Function	Type of machine
(b)	To trim papers to the required sizes.	
(c)	To fold documents, put them in envelopes and seal them.	
(d)	To make exact copies of a certain original document.	
	To arrange papers in a required order.	

9. Outline **four** factors that may cause the supply curve to shift to the left. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

10. Kiganjo Traders had the following balances as at 31st December, 2014.

	Sh.
Capital (1 st December, 2014)	350,000
Additional investments	100,000
Drawings each month	48,000
Capital (31 st Dec' 2014)	470,000

Determine the profit for the year. (4 marks)

11. Outline **four** features of direct production. (4 marks)

- (a) _____
- (b) _____
- (c) _____

(d) _____

12. State **four** ways in which, the government of Kenya may reduce the level of unemployment. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

13. State **four** benefits of registering a company with the stock exchange market. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

14. The following balances relates to the retail business of Omondi for the month of July 2012.

Sales 50,000

Expenses 10% of sales

Cost of goods sold 40,000

Calculate:

(i) Mark up. (1 mark)

(ii) Margin. (1 mark)

(iii) Total expenses. (1 mark)

(iv) Net profit. (1 mark)

15. State **four** uses of a bill of lading in international trade. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

16. Outline **four** circumstances under which insurance companies in Kenya may reinsure. (4 marks)

- (a) _____

- (b) _____

- (c) _____

- (d) _____

17. For each of the following transactions, state the account to be debited and account to be credited. (4 marks)

	Transactions	A/c debited	A/c credited
(i)	The owner brought in cash from private sources.		
(ii)	Bought goods and paid by cheque.		
(iii)	Withdrew cash for personal use.		
(iv)	Paid a creditor by cheque.		

18. State **four** ways in which the utility of a commodity can be increased. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

19. Identify **four** benefits that may accrue from political stability in a country. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

20. List **four** ways in which the government creates an enabling business environment. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

21. State four features of an oligopoly market structure. (4 marks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

22. Give **four** disadvantages of public warehouses to traders. (4 marks)

- (a) _____
- (b) _____

(c) _____

(d) _____

23. Put down **four** functions of the Kenya Bureau of Standards. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

24. Outline **four** external factors that may influence the operations of a business negatively. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

25. Highlight **four** limitations of using after-sale services as a method of promoting products. (4 marks)

(a) _____

(b) _____

(c)

(d)

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST, 2015
TIME: 2½ HOURS

CENTRAL KENYA NATIONAL SCHOOLS JOINT MOCK - 2015

Kenya Certificate of Secondary Education
BUSINESS STUDIES
PAPER 2
TIME: 2½ HOURS

INSTRUCTIONS TO CANDIDATES:

- (a) This paper consists of **SIX** questions.
- (b) Answer any **FIVE** questions.
- (c) Write your answers in the answer booklet provided.
- (d) All questions carry equal marks.
- (e) This paper consists of **two** printed pages.

Business Studies Paper 2

Turnover

1. (a) Explain **five** features that differentiate a public corporation from a private limited company form of business unit. (10 marks)
- (b) Explain **five** factors that one needs to consider when selecting an office layout. (10 marks)
2. (a) Explain **five** benefits that a country derives from transporting oil through pipeline. (10 marks)
- (b) Explain **five** reasons why citizens may experience low standards of living despite improvement in the per capita income. (10 marks)
3. (a) Explain **five** methods of price determination other than price mechanism in a market. (10 marks)
- (b) Explain the following types of unemployment. (10 marks)
 - (i) Cyclical unemployment.
 - (ii) Structural unemployment.
 - (iii) Frictional unemployment.
 - (iv) Seasonal unemployment.
 - (v) Involuntary unemployment.
4. The following trial balance was extracted from the books of Okumu traders as at 31/12/2012.

	Dr. (Shs.)	Cr. (Shs.)
Opening stock	30,000	
Purchases/sales	275,000	390,000
Debtors	47,000	
Commission received		36,000
Returns	10,000	6,000
Carriage inwards	16,000	
Bad debts	3,000	
Wages	20,000	
Rates	12,000	
Buildings	450,000	
Furniture	180,000	
Bank overdraft		210,000
Insurance	19,000	

Discounts	5,000	7,000
Drawings	25,000	
Creditors		52,000
Cash at bank	250,000	
Cash at hand	40,000	
Capital		689,000
	<u>1,390,000</u>	<u>1,390,000</u>

Business Studies Paper 2

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*Cekenas Joint Mock*Additional information:

1. Closing stock Sh.50,000
2. Carriage outwards Sh. 8,000

Required:

- (i) Prepare Okumu traders trading, profit and loss account for the period ended 31/12/2012.
 - (ii) Balance sheet as at 31/12/2012. (10 marks)
- (b) Explain **five** monetary policies that the Kenyan government uses to control the supply of money in an economy. (10 marks)
5. (a) Kenya is a member of EAC. Explain **five** problems the member countries are likely to encounter that may hinder them from achieving their objectives. (10 marks)
 - (b) The following were the balances of Kiboko Traders as at 1st January 2009. Cash Sh.40,000, bank overdraft Sh.17,000. During the month the following transactions took place.
 January 2nd : Mutiso a debtor settled his account of Sh.32,000 by cheque of Sh.30,000
 4th : Paid salaries amounting to Sh.16,000 by cash.
 10th: Deposited Sh.12,000 into the business bank account from the cash till.
 14th: Settled Wayua's account of Sh.40,000 and she was allowed a discount of 1% through a cheque.
 16th: Deposited Sh.56,000 in the bank from private resources.
 17th: Sold goods for cash Sh.24,000.
 20th: Mutua, a debtor, settled his account by a cheque of Sh.16,000 having been allowed a discount of 2%.
 24th: Purchased furniture Sh.10,400 paying by cheque.
 26th: Received Sh.7,200 cash from Odhiambo.
 30th: Banked all the available cash except Sh.3200.

Required: Prepare a three column cash for Kubuka Traders. (10 marks)

6. (a) Explain **five** factors that have led to the survival of small scale retailers despite competition from supermarkets. (10 marks)

(b) Kenya is looking forward to the realization of vision 2030. Explain the obstacles that may hinder the efforts made towards this dream. (10 marks)