

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

SCHOOL.....CANDIDATE'S SIGNATURE.....

DATE.....

565 / 1
BUSINESS STUDIES
PAPER 1
MARCH / APRIL 2015
2 HOURS

KABONDO DIVISION JOINT EVALUATION TEST

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

INTRODUCTION TO CANDIDATES

- i) Write your name and index no in the spaces provided
- ii) Answer all the questions
- iii) Write your answers in English

For examiner's use only

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

Question	13	14	15	16	17	18	19	20	21	22	23	24
Marks												

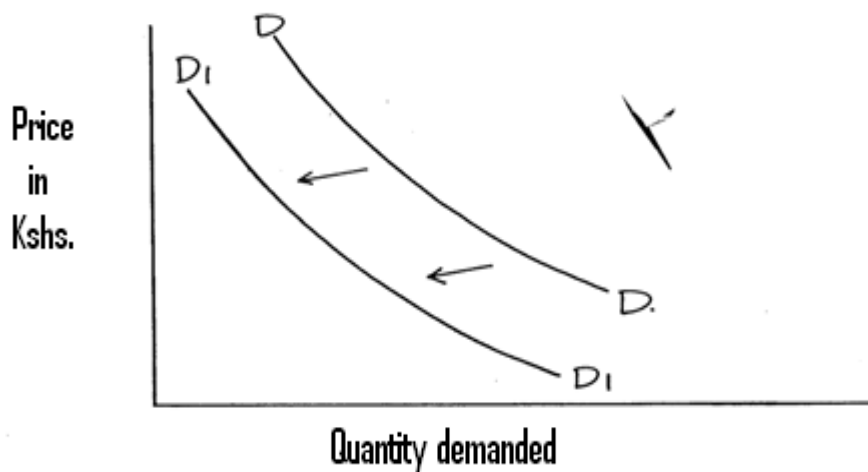
This paper consists of 8 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing

1. Identify any four differences between life assurance and general insurance

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

2. Study the diagram below about a shift in the demand curve



Outline four factors that brought about a shift of demand curve DD to DD as shown above

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

3. Identify four channels that can be used to distribute locally manufactured goods

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

4. Identify the type of office machine described below (4mks)

i) Destroys unwanted papers /documents

ii) Prints stamp impression on envelopes

iii) Reproduces documents using stencils

iv) Puts holes on papers to be filed

5. List four methods that commercial banks use in transferring funds

6. Draw a duly balanced double column cashbook from the following transaction that took place in the business of Onyango in may 2013.

May 1st the balances brought forward were cash Sh 2500 and bank Shs 7000.

May 3rd paid wages in cash shs 2000.

May 10th sold goods in cash Shs 6000.

May 15th withdraw Shs 1000 from the bank for office cash (4mks)

7. Highlight four circumstances under which a public company may be dissolved

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

8. Outline four ways in which the Kenyan government may motivate industries to delocalize

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

9. Explain the meaning of the following terms as used in the accounting

- a. Networth _____
- b. Depreciation _____
- c. Assets _____
- d. Order of liquidity _____

10. Show the effects of the following transactions on the balance sheet totals by using a (+) for an increase, (-) for decrease or (o) for no effect

	Transaction	Effects on balance sheet total
a	Buys stock at Shs. 1000 on credit	
b	Invests shs 10,000 in the business	
c	Deposited shs 2000 in the bank	
d	Sells goods that cost shs 1800 for shs 1000	

(4mks)

11. Kenyan government has been experiencing an increase in the level of its national income .Identify four factors that may have contributed to this (4mks)

i) _____

ii) _____

iii) _____

iv) _____

12. List four benefits that may accrue to community that practices trade (4mks)

i) _____

ii) _____

iii) _____

iv) _____

13. Outline four factors that may make communication between two parties more effective (4mks)

i) _____

ii) _____

iii) _____

iv) _____

14. Outline four advantages a country may enjoy by having a low population (4mks)

i) _____

ii) _____

iii) _____

iv) _____

15. Explain the meaning of the following words as used in public finance (4mks)

a. Impact of a tax

b. Incidence of a tax

c. Tax avoidance

d. Tax evasion

16. Outline four essentials of a market (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

17. Identify four roles an entrepreneur in a bussiness organization (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

18. Classify the following environmental factors into either internal or external business environment. (4mks)

	Factors	External environment	Internal environment
A	Tools and equipment		
B	Inflation		
C	Politics		
D	The manager		

19. Enter the following information in the relevant ledger accounts/

On 1st February 2014 Kemo enterprises purchased a laptop(computer) for use in the business at shs 100000 cash /

On 3rd February 2014/Kemo enterprises borrowed shs 170,000 from the bank .

On 7th February 2014 Kemo paid shs 500 for transport expenses in cash/

On 10th February 2014 Kemo brought furniture valued to shs 4,000 at the business from his home. (4mks)

20. The following is trial balance of Kendu traders for period ending 31st Dec.2013

Trial Balance

Details	Dr	Cr
Carriage out	6,000	
Discount	2,000	4,000
Transport	1000	
Insurance	8,000	
Wages	10,000	
Rent		16,000
Gross profit		37,000
Carriage inwards	15,000	
Purchasese	14,000	
	57,000	57,000

Required

Draw a profit and loss account for Kendu traders for period ending 31st Dec 2013

(5mks)

21. List any four features of a private warehouse (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

22. Outline four tools that the central bank of Kenya may use to lower money supply in the country (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

23. Name the four types of cheques used in home trade (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

24. State four limitations of using hand carts to transport goods from a wholesaler to a retailer shop (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

25. Highlight four benefits that accrue to a manufacturer as a result of advertising his products (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

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565 / 2
BUSINESS STUDIES
PAPER 2
MARCH / APRIL 2015
2 HOURS

KABONDO DIVISION JOINT EVALUATION TEST

Kenya Certificate of Secondary Education

INTRODUCTION TO CANDIDATES

- i) Write your name and index no in the spaces provided
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Question	1	2	3	4	5	6
Marks						

This paper consists of 3 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing.

1. a. Explain five reasons why you would advise your friend against starting a sole proprietorship form of business (10mks)
b. Explain five measures that can be taken to reduce unemployment in a country (10mks)
2. a. Explain five advantages of non-verbal communication (10mks)
b. Explain five factors that have led to the survival of small scale retailers despite competitions from supermarkets (10mks)
3. a. Office equipments includes all the necessary office machines and office furniture .Explain five roles played by equipments in an office (10mks)
b. On November 2010,Sandra traders had cash in shs 87,000 and cash at bank 250,000.Durind the month,the following transaction took place
2010
Nov 2 :cash sale shs 50,000
Nov 3 : paid salaries shs 101,500 by cheque
Nov 6: Received a cheque of shs 76,800 from Wambua after allowing him a discount of 4 %
Nov 12 :bought office furniture by cheque shs 85,000
Nov 16:Settled katunge's account of shs 40,000 in cash having deducted shs 800 cash discount
Nov 18 :Received a cheque of shs 150,000 in respect of cash sales
Nov 21:Paid wages shs 24,000 in cash
Nov 22:Withdrew shs 5,000 csh for private use
Nov 28 :Received shs 16,500 cash from Mochere in settlement of his account less shs 660 cash discount
Nov 30 :Deposited all the money into bank except shs 25,000
Prepaire a three colum cash book dul;y balance (10mks)
4. a. Explain five functions of commercial banks in Kenya (10mks)
b. Explain five reasons for the popularity of sea transport in Kenya's export trade (10mks)
5. a. Explain five uses of National income statistics (10mks)
b. Outline five factors that you woulkd consire when establishing a warehouse for imported goods (10mks)

6. a. Explain four criteria for determining the size of a firm (8,ks)
- b. The following trial balance was extracted from the books of Bush traders on the 31st Dec 2012

Bush Traders
Trial Balance

	Dr	Cr
Sales		720,000
Purchases	340,000	
Returns	20,000	18,000
Rent	16,000	
Advertising	24,000	
Commision		9000
Deptors	54,000	
Creditors		64,000
Stock(1/1/2012	60,000	
Insuarance	30,000	
Drawings	40,000	
Furnitures /fittings	100,000	
Cash in hand	15,000	
Premises	400,000	
Capital		288,000
	1,099,000	1,099,000

Additional information

i)Stcok as at 31st Dec 2012 ,shs 52 000

Required

- a. prepaire trading profit a gross account for the year ended 31st Dec 2012
- b. calculate
- i) Gross profit margin
- ii) The rate of stock turn over (12mks)

