

NAME:.....

INDEX NO.....

SCHOOL.....

CANDIDATE'S SIGN.....

DATE.....

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

**MARAKWET WEST DISTRICT JOINT EVALUATION TEST
(MAWESSE) - 2015**
Kenya Certificate of Secondary Education

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

INSTRUCTIONS

- Answer ALL the questions on the space provided in this paper.
- Marks for each question is indicated alongside the question.
- The question paper consists of 25 questions.

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 | 19 | 5 | 20 | 21 | 22 | 23 | 24 | 25 |
| marks | | | | | | | | | | | |

GRAND TOTAL

This paper consists of 12 printed pages.

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

1. Mention four features which qualifies food as a primary want. (4mks)

- (i).....
-
- (ii).....
-
- (iii).....
-
- (iv).....
-

2. State four reasons for the population of motor cycles as a means of transport. (4mks)

- (i).....
-
- (ii).....
-
- (iii).....
-
- (iv).....
-

3. The following information was extracted from the books of Musau Traders as at 30th April 2010.

| | |
|--------------------|---------------|
| Cost of goods sold | sh. 343,200 |
| General expenses | sh. 59,800 |
| Capital | sh. 1,300,000 |
| Profit margin | 20% |

Calculate the rate of Net profit to capital. (4mks)

4. The central bank is a banker to the government outline four banking services that it provides to the government. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

5. Highlight four circumstances under which a manufacturer may opt to sell his products directly to the consumers rather than through intermediaries. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

6. State four prominent features of retailer's warehouse. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

7. Highlight four roles of ethics in business. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

8. Outline four merits of replacing manual systems with automated ones in carrying out office activities. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

9. Enumerate four benefits that a country would get as a result of locating firms away from each other. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....

.....
(iv).....
.....

10. In less developed countries rapid population growth rate is a common phenomena. State four ways that this growth rate may negatively affect these countries. (4mks)

(i).....
.....
(ii).....
.....
(iii).....
.....
(iv).....
.....

11. Imperfect competition takes many forms. Outline four features of retail trade as a form of monopolistic competition. (4mks)

(i).....
.....
(ii).....
.....
(iii).....
.....
(iv).....
.....

12. Highlight four factors that make a risk valid for insurance. (4mks)

(i).....
.....
(ii).....
.....

.....
(iii).....

.....
(iv).....

13. Outline four benefits of privatization to Kenya’s economy. (4mks)

(i).....

(ii).....

(iii).....

(iv).....

14. The table below describes various terms used in taxation listed below i.e impact, incidence, regressive and proportional. Match the terms with the relevant description. (4mks)

| Description | Term |
|---|------|
| (i) The rate of tax increases as income reduces. | |
| (ii) The person who bears the tax burden. | |
| (iii) The rate of tax is the same on all incomes. | |
| (iv) The person to whom tax is imposed. | |

15. The balance sheet below was prepared by unqualified accountant. Use the order of permanency to draw the correct balance sheet. (5mks)

Munene shop
Balance sheet as at 31st Dec 2006.

| | | | |
|----------------|----------------|----------------|----------------|
| Capital | 140, 000 | Stock | 40,000 |
| Bank overdraft | 20,000 | ICDC loan | 160,000 |
| Debtors | 80,000 | Cash at bank | 20,000 |
| Cash in hand | 40,000 | Creditors | 80,000 |
| Premises | <u>120,000</u> | Motor vehicles | <u>100,000</u> |
| | <u>400,000</u> | | <u>400,000</u> |

16. State four reasons why people engage in business. (4mks)

(i).....
.....

(ii).....
.....

(iii).....
.....

(iv).....
.....

17. State four errors that affect the agreement of a trial balance. (4mks)

(i).....
.....

(ii).....
.....

(iii).....
.....

(iv).....
.....

18. Outline four benefits that Kenya derives from being a member of preferential Trade Area. (4mks)

(i).....

-
(ii).....
.....
-
(iii).....
.....
-
(iv).....
.....

19. Give four reasons why large business maintain books of prime entry. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

20. Outline four reasons to account for continuous existence of direct production in modern society. (4mks)

- (i).....
.....
- (ii).....
.....
- (iii).....
.....
- (iv).....
.....

21. Highlight four limitations for the use of mobile phones in communication. (4mks)

- (i).....
-
- (ii).....
-
- (iii).....
-
- (iv).....
-

22. Use the cash book below to state the transactions that took place on 2nd , 5th , 6th and 7th of may 2010. (4mks)

| Date | Detail | If | Cash | Bank (sh) | Date | Details | If | Cash(sh) | Bank (sh) |
|------------|--------|-----|----------------|----------------|-------|-----------|-----|----------------|----------------|
| 2010 may 1 | Bal | | 100,000 | 250,000 | 2010 | Creditors | | | 30,000 |
| | | | | | may 2 | | | | |
| 5 | Bank | © | 20,000 | | 3 | Rent | | 4,000 | |
| 7 | James | | | 11,000 | 5 | Cash | © | | 20,000 |
| | | | | | 6 | Drawings | | 12,000 | |
| | | | 120,000 | 261,000 | 8 | Bal | c/f | 104,000 | 211,000 |
| | Bal | b/f | <u>104,000</u> | <u>211,000</u> | | | | <u>120,000</u> | <u>261,000</u> |

Transactions :

- (i) 2nd -
- (ii) 5th -
- (iii) 6th -
- (iv) 7th -

23. The membership of savings and credit co- operative societies in Kenya keeps on increasing with time. State four reasons to justify this trend. (4mks)

- (i).....

-
- (ii).....
-
- (iii).....
-
- (iv).....
-

24. Fill in the document that match the statement given below. (4mks)

| | Statement | Document |
|-------|--|----------|
| (i) | Issued by an agent who sells on behalf of the owner. | |
| (ii) | Issued by a carrier to a seller . | |
| (iii) | Issued to make overcharge corrections to invoice. | |
| (iv) | Informs the buyer that goods have been dispatched. | |

25. Enumerate three distinguishing features between hypermarkets and departmental stores.

| | Hypermarkets | Departmental stores. |
|--|--------------|----------------------|
| | | |

| | | |
|--|--|--|
| | | |
|--|--|--|

End

MARAKWET WEST DISTRICT

565/2

BUSINESS

PAPER 2

JULY/AUGUST 2015

TIME: 2 HOURS

INSTRUCTIONS

- Answer any 5 questions in answer booklet given.

1. a) Explain five measures that the government can take so as to improve the efficiency of the road transport system in the country. (10mks)
b) Enumerate five differences between a chain store and a departmental store. (10mks)
2. a) Describe five roles of the Kenya Bureau of standards (KEBS) in consumer protection. (10mks)
b) With an aid of a diagram illustrate a change in equilibrium points following a decrease in demand and state three factors that may cause such change. (10mks)
3. a) Kimemia had the following transactions during the month of January 2009. You required to journalize the transactions. (10mks)

| | |
|-----------|--|
| 1 . 1. 08 | Sold furniture at sh. 160 to Moyo traders on credit. |
| 2 . 1. 09 | Bought a computer on credit from Bon-go at sh. 20,000 |
| 3. 1. 09 | Bought some goods from Nyaga sh. 4,000 on credit the transaction was not entered in Kimemia books. |
| 4. 1. 09 | A transport expense of sh. 500 written in the books as sh. 50. |
| 5. 1. 09 | Sold a motors vehicle for sh. 80,000 on credit to Omega. |

b) Explain any five functions of commercial banks. (10mks)
4. a) Oria shop sells all its goods at a margin of 20%. For the year ended 30th April 2006. The trading activities were as follows.

| | | |
|---------------|-------------|---------|
| Purchases | sh. | 80,000 |
| Sales profit | sh. | 950,000 |
| Net profit | 5% of sales | |
| Closing stock | sh. | 200,000 |

Calculate net profit.
a) The gross profit
b) The opening stock
c) Mark up percentage
d) The net profit.

- b) Discuss five factors that may lead to deteriorating terms of trade of a country . (10mks)
5. a) Discuss five ways in which an entrepreneur contributes to the production of goods in an economy. (10mks)
- b) Explain five problems encountered in the measuring of the national income of a country through expenditure approach. (10mks)
6. a) Discuss five factors to be considered when enclosing a means of reproducing documents in an office.
- b) Explain five assumptions that would make a two sector economy to hold. (10mks)

End