



GOLDLITE ONLINE SUPPLIES



KCSE NATIONAL SCHOOLS TRIALS AND JOINT SERIES 2025

BUSINESS STUDIES PAPER 1

KABARAK HIGH
ALLIANCE BOYS
ALLIANCE GIRLS
ASUMBI GIRLS
KISII SCHOOL
KENYA HIGH
MANGU SCHOOL
MARANDA SCHOOL
MASENO SCHOOL
MERU SCHOOL
MOKASA JOINT 1
STAREHE GIRLS
STAREHE BOYS
LENANA SCHOOL
MOI GIRLS ELDORET
NAIROBI SCHOOL
FRIENDS SCHOOL KAMUSINGA

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*These exams have been compiled from recently done
national schools' trials and joint series*

KNEC COMPLIANT

GOLDLITE ONLINE SUPPLIES
Kenya Certificate of Secondary Education
KCSE TOP NATIONAL SCHOOLS TRIAL SERIES
2025

Name Admission number

Candidate's Signature..... Date.....

KABARAK HIGH SCHOOL EXAMINATION

Kenya Certificate of Secondary Education

565/1

Paper 1

BUSINESS STUDIES

INSTRUCTIONS TO STUDENTS

- *This paper consists of 25 structured questions.*
- *Answer **ALL** the questions in the spaces provided in the question paper.*
- *All your working should be shown clearly.*

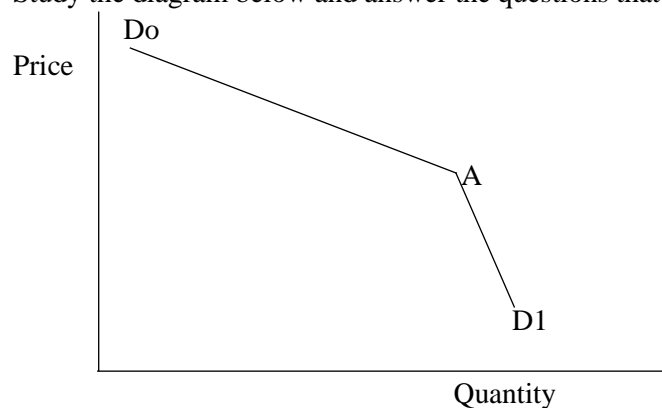
FOR EXAMINER'S USE ONLY

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 percentage

1. Outline **four** ways through which the internal business environment can positively affect business operations (4marks)
2. State **four** business considerations to make when evaluating a business opportunity (4marks)
3. Outline **four** features of a private limited company (4marks)
4. Identify the line of communication described by the following statements (4marks)
 - a) Principal of moi high school Kabarak communicating with the principal moi girls high school Eldoret.....
 - b) The accounts clerk briefing the financial manager on his assignment.....
 - c) The sales manager communicating with a junior staff in the ICT department.....
 - d) The president giving orders to the cabinet secretary in charge of education.....
5. Outline **four** advantages of using social media platforms to market a product (4 marks)
6. Study the diagram below and answer the questions that follow



- a) Identify the market structure associated with the diagram above.....(1 mark)
 - b) Name the part labelled A.....(1 mark)
 - c) State the reason as to why the part ADo is fairly gentle (2 marks)
7. Describe the following concepts as used in population (4 marks)
 - a) Birth rate.....
 - b) Population structure.....
 - c) Optimum population.....
 - d) Mortality rate.....
8. Identify the ledger in which the following accounts are maintained (4marks)

ACCOUNT	LEDGER
a) Otieno (Debtor)	
b) Capital	
c) Kamau (Creditor)	
d) Electricity bill	

9. Outline **four** functions of money (4marks)

10. Highlight **four** challenges faced in the satisfaction of human wants (4 marks)
11. Outline **four** differences between open and enclosed office layouts (4 marks)

Open office layout	Enclosed office layout

12. The government of Kenya regulates business activities around the country. Outline **four** ways in which the government uses to perform this function (4 marks)
13. State **four** requirements that must be fulfilled by a public warehouse in order for it to function effectively and efficiently (4 marks)
14. State **four** effects of an increase in demand for a commodity while supply remains constant (4 marks)
15. Outline **four** circumstances under which a producer will distribute goods directly to the consumers (4 marks)
16. In the course of preparing his balance sheet as at 30th June 2024, Waweru found that he had capital amounting to Sh. 1,250,000 in his business. During the year, his additional investments totalled Sh. 123,000 while the drawings amounted to Sh. 152,000. The business made a profit of Sh. 105,000. Calculate his initial capital as at 1st July 2023 (4 marks)
17. Study the following two column cash book.

Fadhili Enterprises									
Two Column Cash book									
Dr					Cr				
For the month of May 2024									
Date	Details	L.F	Cash	Bank	Date	Details	L.F	Cash	Bank
2024 May. 1 3 6	Capital Cash Rent	c	70,000	20,000 10,000	2024 May 3. 4	Bank Purchases	c	20,000 15,000	

State the transactions that took place on: (4 marks)

- a) 1st May 2024
- b) 3rd May 2024
- c) 4th May 2024
- d) 6th May 2024
- 18 State **four** features of indirect production. (4 marks)
- 19 Below is a table showing description of documents used in home trade. Identify the documents described by each statement (4 marks)

Description	Document
-------------	----------

a) A document used as a reply to a specific letter of inquiry	
b) A document that alerts the buyer that the goods have been dispatched.	
c) A document showing a summary of transactions between the buyer and seller for a particular period of time	
d) Document that is used to demand for payment for goods delivered on credit	

- 20 Outline **four** benefits that the Kenyan government derives from the construction of the Standard Gauge Railway line (4 marks)
- 21 Ochieng insured his house worth sh. 5,000,000 for sh. 3,500,000 against fire. Fire occurred and destroyed the house to a tune of sh. 2,000,000.
- a) Determine compensation Ochieng will receive (3 marks)
- b) State the reason for your answer above (1 mark)
- 22 Lately, the Kenyan government is advocating for the concentration of similar firms in one region. Outline **four** benefits associated with this move (4marks)
- 23 Outline **four** challenges associated with expenditure approach as a measure of national income. (4marks)
- 24 State the effects of the transactions below on the balance sheet items (assets, capital and liabilities) and the balance sheets totals as either increase ,decrease or no effect (4marks)

Transaction	Assets	Capital	Liabilities	Totals
a) Received a cheque for sh. 150,000 being amount borrowed from a lending institution.				
b) Paid creditors sh. 10,000 cash				
c) Owner took cash sh. 50,000 for personal use.				
d) Deposited cash sh. 80,000 into the business bank account.				

- 25 The following sales journal was extracted from the books of Amanda traders during the month of June 2023.

Sales journal

Date	Details	Invoice number	Ledger folio	Amount (sh)
2/6/2023	Wako retailers	012	SL13	8,000
8/6/2023	Mwenda	013	SL24	12,000
18/6/2023	Wako retailers	014	SL13	5,300
18/6/2023	Total posted to the sales account in the GL		GL01	25,300

Required:

Post the above information in the relevant ledger accounts

(4marks)

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FRIENDS SCHOOL KAMUSINGA TRIALS

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.*
- (b) Sign and write the date of examination in the spaces provided above.*
- (c) Answer all questions in the spaces provided in the questions paper.*
- (d) Non-Programmable silent electronic calculators may be used.*
- (e) This paper contains 25 questions.*
- (f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.*
- (g) Candidates should answer the questions in English.*

For Examiners Use Only

QUESTIONS	1	2	3	4	5	6	7	8	9	10	11	12
MARKS												

QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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1. Highlight four factors that may positively influence the operations of a business. (4marks)
2. In the spaces provided below, indicate the type of utility created by each of the following activities. (4marks)

Activity	Type of utility	
a) Store keeping	-	
b) Selling goods to a customer	-	
c) Making a chair	-	
d) Transporting goods	-	
3. Outline four differences between a good and service. (4marks)
4. Outline four factors that may encourage entrepreneurship in Kenya. (4marks)
5. Highlight four benefits of using electronic filing system. (4marks)
6. Outline four considerations that a seller should take into account before giving credit to a customer. (4marks)
7. Outline four circumstances under which a cooperative society may be dissolved. (4marks)
8. State four reasons why the government should create an enabling environment for investors. (4marks)
9. Name the essential elements of transport. (4marks)
10. Give four reasons why one would prefer a letter to a telephone to send a message. (4marks)
11. Outline four characteristics of property insurance. (4marks)
12. Outline four benefits to a business that uses its own warehouse. (4marks)
13. Give four advantages of personal selling as a method of sales promotion. (4marks)
14. Give the meaning of the following terms as used in business. (4marks)
 - a) Law of demand –
 - b) Law of supply –
15. Highlight four benefits that would accrue to a firm located near other existing firms. (4marks)
16. State features of a monopoly market. (4marks)
17. Outline four ways in which households contribute to national income of a country. (4marks)
18. State four types of unemployment in an economy and give the cause of each. (4marks)
19. State the effects of each of the following transactions on the balance sheet totals by writing increase or decrease or no effect in each case. (4marks)

Transaction	Effect on Balance sheets totals
a) Brought machine on credit	
b) Withdrew cash from the business for personal use	
c) Purchased stock in cash	
d) Paid outstanding loan by cheque	

20. Identify the ledger in which the following accounts are maintained;

Account	Ledger
a) Commission income a/c	
b) Supplier a/c	
c) Machine a/c	
d) Cash a/c	

21. Give two reasons why a three column cash book is used both as a journal and a ledger. (4marks)

22. Indicate the type of journal in which each of the following transactions would be recorded. (4marks)

transactions	Journal
a) Goods previously sold on credit were returned	
b) goods bought on credit	
c) Goods sold for cash	
d) Motor vehicle sold on credit terms	

23. Outline four benefits that accrue to a business that uses automated teller machine (ATM) banking services. (4marks)

24. Outline four benefits of direct taxation to the government. (4marks)

25. State four forms of economic integration that may exist between countries. (4marks)

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LENANA SCHOOL TRIALS

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

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MARKS													

Total marks

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1. Highlight **four** factors that influence the efficiency of labour (4 marks)
2. Outline **four** characteristics of human wants (4 marks)
3. Outline **four** reasons why primary level of production is the major contributor of the gross national product (GNP) in developing countries as compared to other levels of production (4 marks)
4. Highlight **four** factors that may contribute to business failure (4 marks)
5. Jakes Company Limited is concerned about frequent disappearance of the files from its registry. Outline the measures that the organization should take to minimize the problem (4 marks)
6. Outline **four** types of wholesalers in the economy (4 marks)
7. Highlight **four** roles of Nairobi Stock Exchange(NSE) market (4 marks)
8. Highlight **four** reasons why government involve itself in business (4 marks)
9. For each of the following transactions, indicate with a tick (✓) in the space provided, whether it will increase, decrease or have no effect on the balance sheet (4 marks)

Transaction	Increase	Decrease	No effect
Investing more cash in business			
Paying creditors in cash			
Paying a creditor using money from private sources			
Buying a machinery on credit			

10. Give two differences between cash transaction and credit transaction (4 marks)
11. Highlight **four** services that commercial banks offer to their customers (4 marks)
12. State **four** gainers in inflation in our economy (4 marks)
13. State **four** other names that are used to mean the same as books of original entry (4 marks)
14. The following cash book belongs to Mogotio Enterprises. Write the transactions on the following dates in words.

Date	Particulars	Cash	Bank	Date	Particulars	Cash	Bank
Aug3	Bal b/d	1000	4,000	Aug 4	Purchases	130	450
6	Kambu (debtor)	145		9	Drawings	150	
20	Capital	650		31	Bal c/d	1,515	3,955

29	Sales		405				
		1,795	4,405			1,795	4,405

- i. Aug 4
- ii. Aug 6
- iii. Aug 9
- iv. Aug 20

- 15.** Highlight **four** benefits that may be derived from an efficient road transport system (4 marks)
- 16.** List **four** factors to consider when selecting a means of communicating (4 marks)
- 17.** State **four** merits of a bonded warehouse to the government (4 marks)
- 18.** Outline **four** negative effects of a high taxation in our country (4 marks)
- 19.** Madam CK operates a matatu business. State **four** factors in the internal environment that may influence the business (4 marks) .
- 20.** State **four** disciplines covered in business studies (4 marks) .
- 21.** State various ways that a trader may provide after sales service to his customer (4 marks)
- 22.** Outline **four** challenges that a distributor of fresh milk is likely to face in his operation (4 marks)
- 23.** Outline **four** advantages of overpopulation to a country (4 marks)
- 24.** Highlight **four** factors that influence the demand for a product in a market (4 marks)
- 25.** State **four** features of a perfectly competitive market (4 marks)

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Name Admission number

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MARANDA SCHOOL TRIAL SERIES

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

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MARKS												

QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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1. State four communication room equipment. (4 marks)
2. Classify the following accounts as either personal, impersonal or private. (4 marks)
 - a) Furniture account- _____
 - b) Drawings account- _____
 - c) Owino's account - _____
 - d) Rent income account - _____
3. State any four clauses that are contained in a memorandum of association. (4 marks)
4. Outline four means of payment used by commercial banks to transfer money. (4 marks)
5. Mention four features which qualify food as a primary want. (4 marks)
6. Highlight four characteristics of a monopolistic competitive market. (4 marks)
7. Outline four disadvantages of water transport. (4 marks)
8. The following information was extracted from the books of JabaliTraders on 31st December 2015

Details	Ksh
Purchases	84,375
Carriage out	7,400
Stock on 1/1/15	67,900
Carriage in	9,170
Stock on 31/1/15	17,970
Returns out	15,520

- (a) Determine net purchases. (4 marks)
9. Classify the following activities into the appropriate level of production. (4 marks)

<u>Activities</u>	<u>Level of production</u>
(a) Road construction	_____
(b) Entertainment	_____
(c) Fishing	_____
(d) Milk processing	_____

10. Classify the following as the assets or liabilities. (4 marks)

Item	Classification
(a) Creditors	_____
(b) Stock	_____
(c) Bank overdraft	_____
(d) Chair	_____

11. Highlight four means of written communication. (4 marks)
12. The following information relates to Mali MingiTraders.
 - (a) On 3rd March 2019, bought equipment worth sh 10,000 on credit from office supplies limited.
 - (b) On 21st March 2019, sold a motor vehicle worth sh 87,000 on credit to Gitau.

Record the above information in the general journal. (4 marks)

13. Outline four gaps in the market that may present business opportunities for an entrepreneur. (4 marks)

14. Outline four ways in which a firm benefits the community in which it is located. (4 marks)

- 15.** Give four malpractices against which consumers may need protection. (4 marks)
- 16.** The following information relates to Fair Deal Enterprises for the year ended on 31st December 2015.
Capital 31/12/2015 sh 500,000
Profit sh100,000
Drawings sh60,000
Additional investments sh40,000
Calculate the capital of Fair Deal Enterprises as at 1st January 2015. (4 marks)
- 17.** Outline four reasons why Safaricom Company Limited is spending heavily on advertisement despite the fact that their customers have knowledge of their products. (4 marks)
- 18.** Name the basic concept in population described in the statements given below.
(a) Population size that is adequate for the full utilization of available resources in the country.
The average number of births per one thousand women in a year. _____
(b) When a country is experiencing higher death rates than birth rates. _____
(c) When a bigger proportion of the population is comprised of people who are above 55 years.
- 19.** State four expenses that are incurred in the process of distributing goods. (4 marks)
- 20.** Outline four features of multiple stores. (4 marks)
- 21.** Outline four items that are considered when measuring national income using the expenditure method. (4 marks)
- 22.** Outline four benefits of a public warehouse. (4 marks)
- 23.** Highlight four possible effects of a positive change to the consumers' preference for a good. (4 marks)
- 24.** State the term given to each of the following statements as used in insurance. (4 marks)
(a) Temporary certificate - _____
(b) Periodic payments by a policy holder - _____
(c) Acquiring the rights the insured had of the destroyed property - _____
(d) Life assurance lasting for a specified period - _____
- 25.** Outline four purposes of a cash book. (4 marks)

GOLDLITE ONLINE SUPPLIES
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MASENO SCHOOL TRIAL SERIES

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

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MARKS												

QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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1. State four characteristics of good money. (4mks)
2. State whether the following transactions have a debit or a credit entry. (4mks)

Transaction	Entry
a. Increase in assets	
b. Increase in liabilities	
c. Increase in revenue	
d. Decrease in capital	

3. Highlight four factors that should be considered by a firm when deciding on the promotional method. (4mks)
4. Identify the type of utility created in the following circumstances. (4mks)

Activity	Type of utility
a) Carpentry	
b) Selling bread to students	
c) Warehousing of imported cars	
d) Carriage of cargo to the market.	

5. The following information relates to jua kali enterprise for the year ended 31st Dec ,2022.

Margin 20%

Sales ksh 250,000

Determine the following:

- a) Gross profit. (2mks)
 - b) Mark-up . (2mks)
6. Indicate whether the following factors lead to a shift in the demand curve or a movement along the demand curve. (4mks)

Factor	Effect
i. A change in income	
ii. A decrease in sales tax	
iii. An increase in price of a product	
iv. Future expectations of change in price of a product	

7. Highlight four reasons that has led to reduced use of postal services in Kenya. (4mks)
8. Highlight four reasons why it is important to make a choice while satisfying human wants. (4mks)
 - a) When goods are sold in cash _____
 - b) When goods are sold on credit _____
 - c) When correcting an undercharge _____
 - d) When goods are bought on credit _____
9. Highlight the basic concept of population described in the statements below. (4mks)
 - a) Population that is composed of persons aged 18 years and below.
 - b) Average number of years a person born alive is expected to live.
 - c) Number of people who die per thousand people per year.
 - d) A population that is too large to be supported by the existing resources.
10. State the clause of the memorandum of association described by the following statements.(4mks)
 - a) States the desire of the promoters to form the company. _____
 - b) Specifies the activities to be carried out by the company. _____
 - c) States the name of the company which must end with the word "limited." _____
 - d) Declares the liability of all shareholders. _____

11. **Maragua traders**
Two column cash book
For the month of may 2024

Dr					Cr				
date	details	L.f	cash	bank	date	details	L.f	cash	bank
1/5/24	Bal b/d		P		1/5/24	Bal b/d			8200
9/5/24	sales			40,000	7/5/24	purchases		6000	

13/5/24	debtors			19,800	10/5/24	creditors			14,400
18/5/24	bank	c	Q		18/5/24	cash	c		9,200
25/5/24	equipment		19,200		31/5/24	Bal	C/d	R	S
			38400	59,800				38,400	59,800

Use the above cash book to calculate:

- P
- Q
- R
- S

12. The document below was issued by Mountain Melodies Limited.

<p>Slopes Music Instrument Suppliers, P. o box 1235, Muranga. RE:Music instruments. We would wish to establish the availability and terms of sale for music instruments.</p> <p>Regards. Q. g. C.E.O</p>	<p>Mountain Melodies Limited, P.o box private bag 12th July ,2024</p>
--	---

(i) Identify the document.(1mk)

(ii) Name three documents that slopes music instruments suppliers would have used in response to the above document.

14. The following data was extracted from the books of Rehema traders on 31st Dec 2024. Use it to prepare her trial balance as at that date.

(4mks)

	ksh
Capital	800,000
Sales	400,000
Land	600,000
Debtors	300,000
Returns inwards	200,000
Discount allowed	100,000

15. Kanjama operates a tuk-tuk business in Muranga town. Highlight four factors within business environment that will affect his operations.

(4mks)

16. Highlight four reasons why government participate in business activities.

(4mks)

17. Highlight four circumstances under which a firm may be located near the market for its product.

(4mks)

18. Outline four importance of entrepreneurship in an economy.

(4mks)

19. Name the insurance policy that an organization should take against the following risks.

(4mks)

- Likelihood some debtors may fail to pay their debts_____
- Injury caused by falling fence to a passerby._____
- Loss of goods or cash as they are being transported._____
- Losses incurred due to dishonest act of some employees._____

- 20.** Highlight four factors that may lead to increase in national income of a given country. (4mks)
- 21.** Outline four features of a bonded warehouse. (4mks)
- 22.** State four circumstances under which a manufacturer may sell his goods directly to customers. (4mks)
- 23.** Define the following essential elements of transport. (4mks)

(a) Unit of carriage. _____

(b) Terminal. _____

(c) Way. _____

(d) Method of propulsion. _____

- 24.** The following information was obtained from the books of Rukwalo traders as at 31st December 2024

	sh
Cash in hand	7,000
Creditors	12,000
Debtors	5,000
Furniture	40,000
Loan	10,000
Cash at bank	16,000
Capital	46,000

Prepare a balance sheet as at 31st Dec 2024. (4mks)

- 25.** Outline four disadvantages of operating enclosed office layout. (4mks)

1. State **four** factors in the internal environment that influence the operations of a business. (4 marks)
2. Highlight **four** features of economic resources. (4 marks)
3. Outline **four** benefits of division of labour in an organisation. (4 marks)
4. Highlight **four** factors that are considered when evaluating a business idea. (4 marks)
5. Highlight **four** characteristics of good filing system. (4 marks)
6. Outline **four** characteristics of a chain store. (4 marks)
7. Identify the document used in home trade described by the statement below. (4 marks)

	Statement	Document
a)	Used to correct an undercharge in an invoice	
b)	It alerts the buyer that goods have been dispatched	
c)	A letter written by the potential buyer to enquire about the goods they stock	
d)	Demand payment for goods that have been delivered	

8. Outline **four** advantages of sole proprietorship. (4 marks)
9. Highlight **four** reasons why the government may be involved in business. (4 marks)
10. Outline **four** circumstances under which containers may be used to transport goods. (4 marks)
11. State **four** elements of communication. (4 marks)
12. Name the type of warehouses associated with each of statements given below. (4 marks)

	Description	Type of warehouse
a)	Goods can be stored before payment of customs duty	
b)	Used exclusively to store owner's goods	
c)	Good are stored from several wholesalers	

d)	Specialized goods are stored	
----	------------------------------	--

13. Outline **four** reasons why traders observe ethical practices in product promotion.

(4 marks)

14. The quantity supplied(Q_{se}) and quantity demanded(Q_{de}) in the market at equilibrium are given below

$$Q_{se} = 4p + 20$$

$$Q_{de} = 40 - p$$

Determine the equilibrium price and quantity.

(4 marks)

15. State **four** assumptions of perfect competition market structure.

(4 marks)

16. Highlight **four** roles of intermediaries in the channel of distribution.

(4 marks)

17. Outline **four** uses of national income statistics to the government.

(4 marks)

18. Highlight **four** challenges faced by a youthful population.

(4 marks)

19. Using the book keeping equation complete the table below.

(4 marks)

	Fixed asset	Current asset	Long term liabilities	Short term liabilities	Capital
a)	200,000	100,000	100,000	50,000	
b)	400,000		180,000	220,000	100,000
c)		60,000	40,000	25,000	125,000
d)	75,000	15,000		10,000	9,000

20. Indicate whether the transaction below **increase, decrease of have no effect** on the balance sheet totals.

(4 marks)

	Transaction	Effect on totals
a)	Brought personal car to be used in the business	
b)	Obtained a bank loan through the business account	
c)	Paid a creditor by cash	
d)	Bought furniture in cash	

21. State four types of errors that may not be detected in a balance sheet. (4 marks)

22. The information relates to Wanjii traders as at 31st December 2022

Opening stock sh 80,000

Closing stock sh 120,000

Sales sh 800,000

Rate of stock turnover = 6 times

Required

Prepare a trading account for the period ended 31st December 2022. (5 marks)

23. Identify the book of original entry prepared from the following source documents.

(3 marks)

	Source document	Book of original entry
a)	Incoming invoice	
b)	Outgoing credit note	
c)	Issued receipt	

24. Highlight four factors that may discourage entrepreneurship in a country. (4 marks)

25. Outline four features of a public limited company. (4 marks)

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Name Admission number
Candidate's Signature..... Date.....

STAREHE GIRLS' CENTRE MOCK EXAMINATION

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.*
- (b) Sign and write the date of examination in the spaces provided above.*
- (c) Answer all questions in the spaces provided in the questions paper.*
- (d) Non-Programmable silent electronic calculators may be used.*
- (e) This paper contains 25 questions.*
- (f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.*
- (g) Candidates should answer the questions in English.*

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QUESTIONS	1	2	3	4	5	6	7	8	9	10	11	12
MARKS												

QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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1. Highlight four reasons for which business should observe ethical practice. {4 marks}
2. Outline four positive implications of a youthful population to an economy. {4 marks}
3. Highlight four circumstances in which a cheque may be used as a means of payment. {4 marks}
4. Outline four features of liners is sea transport. {4 marks}
5. Mango Traders had the following ledger account balances as at 31st December 2014.

	Ksh.
Sales	100,000
Purchases	170,000
Returns inwards	10,000
Returns outwards	20,000
Salaries	30,000
Capital	40,000
Bank loan	50,000

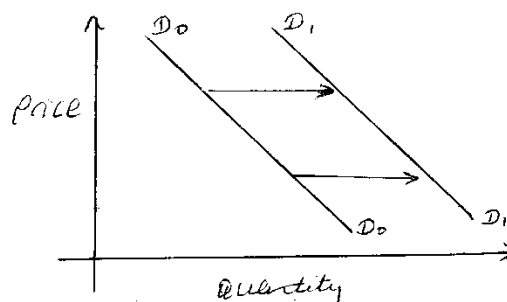
Prepare the business trial balance as at 31 December 2014. {5 marks}

6. Of late the government has privatized many public corporations. Outline any four reasons that may have led to this. {4 marks}
7. Outline four functions of the International Bank for Reconstruction and Development. {4 marks}
8. The following balances were extracted from the books of Ayuma Enterprises on 31/12/2014.

	Sh.
Gross profit	120,000
Rent income	100,000
Dividend received	200,000
Salaries	300,000
Carriage outwards	10,300
Discount allowed	21,000

Prepare Ayuma Enterprises profit and loss account for the year ended 31/12/2014. {4 marks}

9. The diagram below represents the demand of a commodity X in the market.



- Highlight factors that may cause a change from D_0 to D_1 {4 marks}
10. Highlight four reasons why a small scale business may succeed despite competition it faces from large firms. {4 marks}
 11. State four advantages of using credit cards as a means of payment. {4 marks}
 12. Highlight four circumstances under which a seller would require a buyer to pay cash with order. (C.W.O) {4 marks}
 13. Identify four ways through which businesses give after sales services to their customers. {4 marks}
 14. Outline four differences between a cheque and Bills of exchange. {4 marks}
 15. List four levels of inflation. {4 marks}
 16. Outline four benefits of export processing zones to a country. {4 marks}
 17. Highlight four monetary policy measures used by the central bank to decrease money supply in the economy. {4 marks}
 18. Highlight four demerits of letters as a means of communication. {4 marks}
 19. Outline four features of a public limited company. {4 marks}
 20. On 1st January 2015 the cash book of Moja Traders showed cash and bank balances of Sh. 10,000 and sh. 20,000 (cr) respectively. Transactions that took place during the month were:-
 January 2 Cash sales sh. 12,000.
 January 10 Paid sh. 2,000 cash in respect of wages.
 January 15 Received a cheque for sh. 35,000 from a debtor.
 January 25 Withdrew sh. 5,000 from bank for office use.
 January 29 Paid sh. 3,000 cash to a creditor.
 Prepare a two column cash book for the month. {5 marks}
 21. An organization wants to increase the productivity of its workers. Highlight any four cause of action it can take in order to achieve this. {4 marks}
 22. Outline any four sources of monopoly power for a firm. {4 marks}
 23. Differentiate between ordinary shares and preference shares of a company. {4 marks}
 24. Highlight any four characteristics of an under developed country. {4 marks}
 25. Outline the meaning of the following as used in International Trade. {2 marks}
 - i) Franco
 - ii) FAS

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Name Admission number
Candidate's Signature.....Date.....

ALLIANCE BOYS HIGH SCHOOL

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.
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MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

- 1) Highlight four principles of insurance. (4 mks)
- (i)
- (ii)
- (iii)
- (iv)
- 2) Outline four reasons how competitive environment affects Business activities. (4 mks)
- (i)
- (ii)
- (iii)
- (iv)
- 3) State four characteristics of a perfect competition market. (4 mks)
- (i)
- (ii)
- (iii)
- (iv)
- 4) Outline four differences between a good and a service. (4 mks)

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

- 5) Match the following statements with the correct source documents. (4 mks)

	Statement	Source document
(i)	A document that serves as an evidence that cash has been received or paid out.	
(ii)	A document that shows the details of all the expenses incurred, the amount of money spent and the purpose of incurring such an expense.	
(iii)	A document sent by the seller to the buyer demanding payment for goods or service delivered.	
(iv)	A document written by a supplier and sent to a buyer informing him / her that his / her account with the supplier has been debited.	

- 6) This is the Mitegi's demand schedule for Bread in a week.

<u>Price per loaf (shs)</u>	<u>No of loaves demanded</u>
30	1
20	2
15	4
12	6
10	8

5
1

12
20

Required:

Draw the demand curve of Mutege's Bread for a whole week.

(4 mks)

7) Highlight four importance of business studies to a learner.

(4 mks)

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

8) Using the balance sheet equation. Fill the missing figures in the following table. (4 mks)

	Assts	Capital	Liabilities
(i)	21,920	?	30,341
(ii)	?	2,192	19,840
(iii)	3,773	1,591	?
(iv)	240	150	?

9) Outline four roles played by the stock exchange market as a market for securities. (4 mks)

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

10) Highlight four factors which may influence choice of a distribution channel. (4 mks)

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

11) Outline four advantages of a bonded warehouse.

(4 mks)

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

(iv)

12) Match the following documents with their relevant uses. (4 mks)

	Statement	Documents
(i)	This is a document which briefly describes the goods a seller stocks	
(ii)	A documents sent by the seller to the buyer when an inquiry is specific in mature.	
(iii)	A document sent to a prospective buyer to inform him/her that the order has been received and it is being acted upon.	
(vi)	A document sent by the buyer when goods get damaged on the way and returned to the seller.	

13) Highlight our goals of economic development. (4 mks)

(i)

 (ii)

 (iii)

 (iv)

14) Outline the type of unemployment in an economy and give the cause for each. (4 mks)

(i) Unemployment occurs when people lose jobs and go looking for new ones

 (ii) Unemployment that occurs when people are actively looking for jobs at the existing wage rate but cannot get them.....
 (iii) Unemployment that occurs repeatedly at similar times

 (iv) Unemployment that occurs when demand for labour declines due to either changes in the method of production or a decrease in the supply of goods and services.

15) Outline four reasons why there is need for ethical practices in business. (4 mks)

(i)

 (ii)

 (iii)

 (iv)

16) Highlight four problems encountered in measuring national income using the output approach method. (4 mks)

(i)

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

17) Match the following uses with the appropriate office equipment. (4 mks)

	Uses	Office equipment
(i)	It is a machine that is used for preparing cash receipts	
(ii)	It is a machine used for trimming documents into required shapes and size.	
(iii)	A machine which is used for cutting unwanted documents into tiny pieces to avoid such documents getting into the wrong hands.	
(vi)	A machine which is used to complex calculations.	

18) Explain the meaning of the following terms of sale as used in international trade. (4 mks)

- (i) F.O.B. (Free on Board).....
- (ii) LOCO or ex-warehouse or ex- works.....
- (iii) F.O.R. (Free on Rail).....
- (iv) In bond

19) Highlight four ways how consumers can protect themselves from exploitation from unscrupulous wholesalers / traders. (4 mks)

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

20) Outline four criteria used in determining the size of the firm. (4 mks)

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

21) Outline four tools that the central bank of Kenya uses to control monetary policy. (4 mks)

- (i)
- (ii)

- (iii)
- (iv)

22) Calculate the gross profit given the margin of $\frac{1}{6}$ and the cost of goods sold to be 400,000/=.
(4 mks)

23) Highlight four advantages of operating a current account. (4 mks)

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

24) Outline four factors that influences the choice of product in the market.

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

25) List four essential of an effective communication.

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

GOLDLITE ONLINE SUPPLIES

Kenya Certificate of Secondary Education

KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number
Candidate's Signature.....Date.....

ALLIANCE GIRLS' HIGH SCHOOL

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

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MARKS												

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MARKS													

Total marks

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- 1) Define the following terms as used in Business Studies. (4 mks)
- (i) Economics.....
 - (ii) Entrepreneurship.....
 - (iii) Opportunity cost.....
 - (iv) Scale of preference.....
- 2) Highlight four reasons why food is an important basic need. (4 mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
- 3) Outline four importance of a warehouse to a consumer. (4 mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
- 4) Outline four requirements for one to start a limited liability company as one of the forms of business units. (4 mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
- 5) Highlight four factors a firm must take into account when deciding on the product(s) to produce.
- (i)
 - (ii)
 - (iii)
 - (iv)
- 6) Highlight four ways in which entrepreneurs can observe ethics in the management of their business. (4 mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
- 7) The following information was extracted from the books of Dawida business enterprise for the year ended 30th June 2000.

Capital as at 30 th June, 2000	640,000
Capital as at 1 st July 1999	420,000

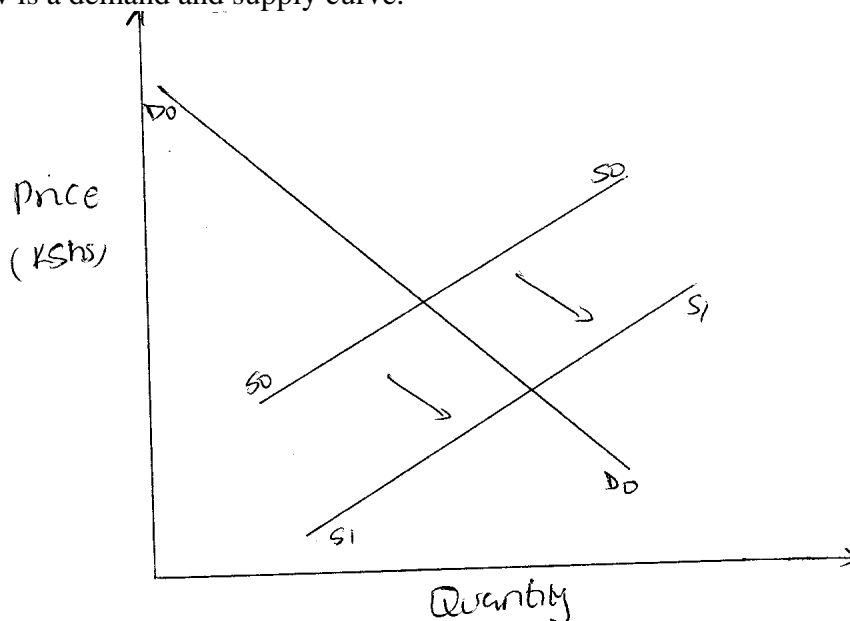
Drawing for the year	180,000
Net profit for the year	140,000

Determine the additional capital during the year. (4 mks)

8) Highlight four ways through which one can convey verbal communication. (4 mks)

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

9) Below is a demand and supply curve.



Highlight the factors that may have led to the above behavior. (4 mks)

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

10) Outline four circumstances under which a trader can issue a credit note to a customer. (4 mks)

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

- 11) Give the difference between:** (4 mks)
- (a) Double and co-insurance
-
-
-
- (b) Premiums and surrender value
-
-
-

- 12) Highlight four advantages of indirect tax.** (4 mks)
- (i)
- (ii)
- (iii)
- (iv)

- 13) Highlight four ways in which a legal-political environment can impact negatively on entrepreneurs.** (4 mks)
- (i)
- (ii)
- (iii)
- (iv)

- 14) Highlight four duties of commercial attaches in trade promotion.** (4 mks)
- (i)
- (ii)
- (iii)
- (iv)

- 15) Identify the book of original entry in which the following transactions can be recorded.** (4 mks)

Transaction	Book of Original Entry
Paid salaries by cheque	
returned goods to a supplier	
Sold goods on credit	
Bought delivery van on credit	

- 16) Outline three leakages in a circular flow of income.** (3 mks)
- (i)
- (ii)
- (iii)

- 17) Outline four advantages of using celebrities in product promotion.** (4 mks)

18) Distinguish between the following terms of sale as used in international trade. (4 mks)

- (a) Free on rail (FOR)
.....
.....
- (b) Free on board (FOB)
.....
.....
- (c) In Bond
.....
.....
- (d) On nearest offer (ONO)
.....
.....

19) Kenya is planning to extend her pipeline transport. State four advantages of pipeline transport to the country. (4 mks)

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

20) Outline four emerging issues in office management. (4 mks)

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

21) Kiburu carried out the following transactions during the month of February 2015.

- February 1: Started business by depositing sh 220,000 in business bank account
7: Bought goods on credit from Miyogo Sh 72,000
8: Paid rent by cheque Sh 20,000
16: Sold goods to Kamula on credit Sh 50,000.

Required: Post the above transaction in the relevant ledge accounts.

22) Highlight four features of perfect competition market. (4 mks)

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

- 23)** Mention whether the following transactions have an increase, decrease or no effect on the assts, capital and liabilities of a business. (4 mks)

	Transaction	Assets	Capital	Liabilities
(a)	Bought premises on credit			
(b)	Took stock of goods and donated to a local dispensary			
(c)	Withdrew money from bank for office use			
(d)	Sold furniture receiving cash			

- 24)** The following information relates to Liston traders for the period ended 31st March 2012.

Opening stock Sh 40,000

Sales Sh 100,000

Closing stock 25% on cost of sales

Mark-up 25%

By clearly calculating gross profit and purchases, prepare a trading account

- (i) Gross profit (1 mk)
(ii) Purchases for the year (2 mks)

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KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number

Candidate's Signature.....Date.....

ASUMBI GIRLS' HIGH SCHOOL

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.
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QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

1) Explain the following as used in the satisfaction of human wants (4marks)

- a)Utility.....
.....
b)Producer goods.....
.....
c)Scarcity and choice.....
.....
d)Scale of preferences.....
.....

2) Outline **four** factors that may account for predominant direct product ion in a country (4marks)

- (a).....
(b).....
(c).....
(d).....

3) Differentiate between shares and Debentures (4marks)

Shares

Debentures

a		
b		
c		
d		

4) What do you understand by the following terms.: (4marks)

- (a)Free goods.....
.....
(b)Producer goods.....
.....
(c)Public goods.....
.....
(d)Non-material goods.....
.....

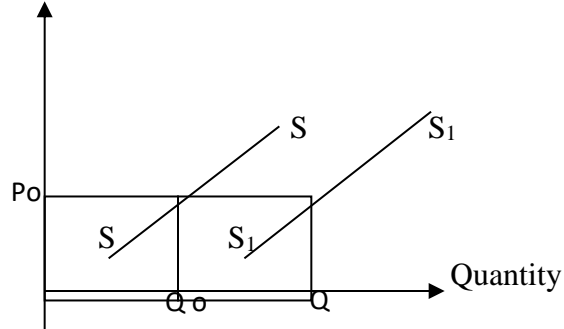
5) The following information was obtained from the books of JASHO TRADERS at the end of a trading period.

	Ksh
Opening stock	65,000
Sales	300,000
Purchases	180,000
Sales return	5,000
Closing stock	42,000

Calculate the gross loss of the business

- 6) List **four** function of the Kenya Bureau of Standards (KEBS) (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....
- 7) State **four** factors that limit the number of entrepreneurs in an area. (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....

8) The figure below shows an increase in supply for a commodity from SS to S₁S₁.



State **four** possible causes that have led to this situation (4marks)

- (a).....
 - (b).....
 - (c).....
 - (d).....
- 9) Outline **four** reasons why inland water transport is not popular as means of transportation in Kenya. (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....
- 10) Outline **four** types of errors that may cause a trial balance not to balance (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....
- 11) Highlight **four** circumstances under which firm may acquire oligopoly power. (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....
- 12) Outline **four** important uses of measuring national income in a country (4marks)
- (a).....
 - (b).....
 - (c).....
 - (d).....
- 13) Ananda Sita intends to set up modern University in Eldoret. Outline **four** factors that will influence her choice of office layout (4marks)

- (a).....
- (b).....
- (c).....
- (d).....

14) Give four ways in which consumers may benefit when producers compete in product promotion (4marks)

- (a).....
- (b).....
- (c).....
- (d).....

15) The following details were extracted from the books of Omino enterprises for the year ended 31st Dec 2009.

Ksh.

Opening capital	105,000
Capital introduced	15,000
Drawings	6,000
Closing capital	135,000

Determine the profit or loss for the year.

16) In the table below, fill in by stating whether each of the following transaction will increase, decrease or have no effect on the capital of the business.

Transaction	Effect on capital
a) The business made profit	
b) Bought stock of good	
c) withdrawal of stock for own use	
d)Paid creditors by giving up an old machine	

17) State four main cooperative principles. (4marks)

- (a).....
- (b).....
- (c).....
- (d).....

18) List four documents used in home trade at the order stage (4marks)

- (a).....
- (b).....
- (c).....
- (d).....

19) Mamati has just taken a whole life policy and is complaining that his premiums are very high. Outline four reason why the premium may be high (4marks)

- (a).....
- (b).....
- (c).....
- (d).....

20) Highlight four disadvantages of an ageing population (4marks)

- (a).....
- (b).....

- (c).....
(d).....

21) Highlight **four benefits that may occur to an organization that practices effective communication. (4marks)**

- (a).....
(b).....
(c).....
(d).....

22) State **four advantages of bonded warehouse to the government. (4marks)**

- (a).....
(b).....
(c).....
(d).....

23) Identify the factor that can cause an increase in the demand of a product (4marks)

- (a).....
(b).....
(c).....
(d).....

24) The following are some of the source documents used in business.

- I. Credit note received
.....
II. Invoice issued
.....
III. Credit not issued
.....
IV. Cash sale slip
.....

Match each of the following books of original entry with relevant source document (4marks)

Book of original entry	Source of document
a) Cash book	
b) Sales day book	
c) Return inward day book	
d) Return outward day book	

25) Highlight **four services that the Central Bank of Kenya may offer a banker to commercial bank. (4marks)**

- (a).....
(b).....
(c).....
(d).....

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KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number
Candidate's Signature.....Date.....

KAPSABET BOYS HIGH SCHOOL TRIAL 1

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

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QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

- 1) State four banking services offered by Central Bank of Kenya to the Kenyan Government. (4mks)
-
-
-

- 2) State the term used to each of the following disciplines. (4mks)
- i) Study of the process and acquiring necessary resources to start and operate a business.
-
- ii) Study of how human beings strive to satisfy their endless wants using the scarce resources.
-
- iii) Study of trade and aids to trade.
-
- iv) Study of the systematic way of recording business activities and using the records for decision making
-

- 3) For each of the following types of accounts, state in the spaces provided whether you debit or credit increase or decrease in the account. (3mks)

Type of account	To increase	To decrease
i)Asset		
ii)Capital		
iii)Liability		

- 4) Outline four benefits of using social media such a WhatsApp groups for office communication. (4mks)
-
-
-
-

- 5) The following balances were extracted from the books of Furaha enterprises on 31st December 2022.
- | | |
|----------------|-----------|
| Fixed assest | 3,000,000 |
| Current assets | 500,000 |
| Creditors | 700,000 |
| 4 year loan | 1,500,000 |

Calculate the networth of the above business as at 31st Dec 2022. (4mks)

- 6) Highlight four disadvantages of enclosed office plan. (4mks)
-
-
-
-

7) State four reasons for observing ethical practices in product promotion. (4mks)

.....

.....

.....

.....

8) Outline four reasons why human beings make choices when satisfying their wants. (4mks)

.....

.....

.....

.....

9) State four disadvantages of concentrating industries in one area within a country. (4mks)

.....

.....

.....

.....

10) Highlight four external business environment that may positively affect the operations of a business. (4mks)

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11) Bidii ltd had the following book balances as at 31st December 2022

	Shs	
Sales	500,000	
Stock 1/1/2022	20,000	
Returns inwards	5,000	
Purchases	300,000	
Stock 31/12/2022	40,000	
Returns outwards	10,000	
Prepare Ahadi Ltd Trading Account for the year ended 31 st December 2022.		(5mks)

12) Outline for reasons why small scale businesses are popular in Kenya. (4mks)

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13) State four errors which may affect the agreement of a trial balance totals. (4mks)

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14) Highlight four features of a bonded warehouse. (4mks)

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15) State the reward for each of the following factors of production. (4mks)

Factors of production	Reward
i)Land	
ii)Capital	
iii)Entrepreneuership	
iv)Labour	

16) Outline four negative effects of an ageing population in a developing country such as Kenya. (4mks)

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17) Highlight four ways in which a government participate in business activities.(4mks)

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18) Highlight four types of demand (4mks)

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19) State four features of an insurable interest. (4mks)

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20) Identify the source document into which the information given below would be recorded.(4mks)

Information	Source
i)Money received from a debtor	
ii)Credit purchases	
iii)Increasing amount a debtor is required to pay	
Credit sales	

21) Highlight four characteristics of an entrepreneur. (4mks)

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22) Outline four ways through which firms contribute to national income of country.(4mks)

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23) Highlight four ways a co-operative society may use to raise capital. (4mks)

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24) State four ways the central bank of a country may use to reduce money in circulation within a country. (4mks)

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.....

25) The information below relates to R.S LTD

	sh
Sales	20,000
Cost of sales	15,000
Average stock	6,000
Expenses 10% of sales	
Calculate	

i) Gross profit markup (1mk)

ii) Gross profit margin (1mk)

iii) Stock turn over (1mk)

iv) Net profit (1mk)

GOLDLITE ONLINE SUPPLIES
Kenya Certificate of Secondary Education
KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number
Candidate's Signature.....Date.....

KENYA HIGH SCHOOL TRIAL 1

565/1
BUSINESS STUDIES
PAPER 1
TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.
- (b) Sign and write the date of examination in the spaces provided above.
- (c) Answer all questions in the spaces provided in the questions paper.
- (d) Non-Programmable silent electronic calculators may be used.
- (e) This paper contains 25 questions.
- (f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- (g) Candidates should answer the questions in English.

For Examiners Use Only

QUESTIONS	1	2	3	4	5	6	7	8	9	10	11	12
MARKS												

QUESTIONS	13	14	15	16	17	18	19	20	21	22	23	24	25
MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

1. Identify the environmental factor affecting business operations as described by the following statements. (4 marks)

S.no	Statement	Factor
a	Skills and methods used by workers in production.	
b	Affects buyer's ability to buy products offered by a business	
c	Firms selling similar products trying to outdo each other in their efforts to maximize profits	
d	Formal arrangement of activities carried out by employees at various levels in an organization.	

2. Give **four** items of information that can be found in an insurance policy. (4 marks)

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

3. Highlight **four** factors considered when planning the location of an office. (4 marks)

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

4. Outline **four** reasons for collapse of small scale business units. (4 marks)

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

5. Many changes have taken place in the transport sector. Identify any four of such changes. (4 marks)

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

6. Mention **four** costs that are incurred by middlemen while distributing goods. (4 marks)

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

7. For each of the following transactions indicate in the appropriate columns the source documents and the books of original entry in which the transactions should be recorded (4 marks)

	Transaction	Source document	Book of original entry
(a)	Goods returned by a customer		
(b)	Purchase of goods on credit		

8. Outline **four** circumstances when high population is desired in a country (4 marks)

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

9. Globalization is a term often used to denote business ownership and spread. Outline four merits of globalization of business units. (4 marks)

- (a)
 (b)

(c)

(d)

10. Give the term that best suit each of the statements described below. (3 marks)

	Statement	Term
a	List of wants starting from most pressing to the least pressing	
b	Limited or not enough in supply of something	
c	Value of the best next forgone alternative	

11. The following assets and liabilities belong to Longisa Traders as at 31.12.20

Stock sh. 90,000

Equipment sh. 130,000

Creditors sh.65,000

(a). Work out the net worth of Longisa Traders (1 mark)

12. The following balance were extracted from the books of Bomet East traders on 31st July 2022

Items	Amount
Capital	500000
Cash in hand	20000
Buildings	20000
Furniture	25000
Motor vehicle	137000
Creditor	8000
Debtors	36000
bank	100000

Required: Prepare Bomet East traders trial balance as at 31st July 2022. (5marks)

13. The following balances were extracted from the books of Suswa Traders on 31st December 2001

Shs.

Gross profit 400,000

Salaries 160,000

Returns outwards 4,500

Telephone 40,000

Commission received 16,000

Sales 200,000

Commission 30,000

Repairs 15,000

Prepare a profit and loss account for the period ended 31st December 2001. (4 marks)

14. Outline **four** essentials of a bill of exchange. (4marks)

(a)

(b)

(c)

(d)

15. On 2nd November 2022 Ongengo received an invoice of Ksh. 12000. Terms of payment were: Trade discount of 5% and cash discount of 10%. If payment is made within 30 days. Determine the amount paid if payment was made on 27th November 2022. (4 marks)

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.....

16. Identify the product promotion method described by each of the statement below. (4 marks)

	Statement	Method
a	Selling a product below its market price so as to entice customers to enter the shop.	
b	Process of passing information with a view of creating and promoting a favourable image of the organization to the public	
c	Paid form of impersonal presentation of a product through mass communication media.	
d	Reduction in the sales price of a product by the seller so that the buyer ends up paying less.	

17. Highlight any **four** services offered by commercial banks to their clients. (4 marks)

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

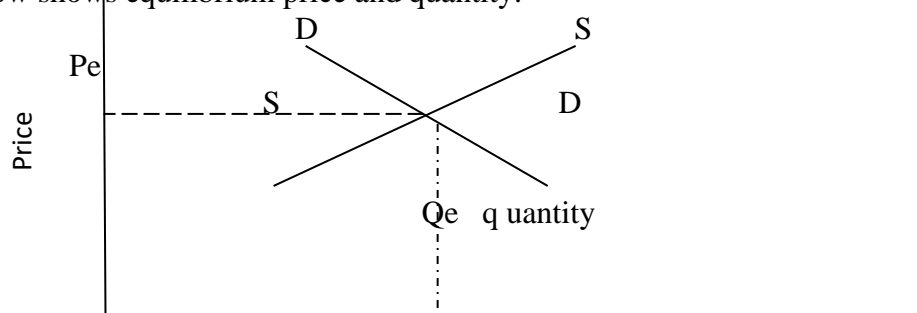
18. State **four** emerging trends in communication. (4 marks)

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

19. Give **four** characteristics of oligopoly market structure. (4 marks)

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

20. The diagram below shows equilibrium price and quantity.



Draw a new demand curve on the diagram above showing a decrease in demand and the effect on:(4 marks)

- (a). Equilibrium price (P_e)
(b). Equilibrium quantity (Q_e)
(c). Equilibrium point (E)

21. Highlight **four** reasons why a country would rely more on primary level of production. (4 marks)

- (a)
(b)

(c)

(d)

22. State **four** importance of computing national income statistics in a country such as Kenya. (4 marks)

(a)

(b)

(c)

(d)

23. From the transactions below, state the accounts to be debited and to be credited. (4 marks)

	Transactions	Debit	Credit
i	Begun a business with Ksh 10,000 in the bank		
ii	Bought equipment by cheque for Ksh. 8,000		
iii	Transferred Ksh 60,000 to the bank from the cash till		
iv	Took cash Ksh.7,000 to pay hospital bill		

24. Outline four advantages of a systematic arrangement of goods in a warehouse. (4 marks)

(a)

(b)

(c)

(d)

25. Name four factors considered when determining size of the firm. (4 marks)

(a)

(b)

(c)

(d)

GOLDLITE ONLINE SUPPLIES

Kenya Certificate of Secondary Education

KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number

Candidate's Signature.....Date.....

KISII SCHOOL TRIAL SERIES

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.
- (b) Sign and write the date of examination in the spaces provided above.
- (c) Answer all questions in the spaces provided in the questions paper.
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MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

--

- 1) Identify the book of original entry in which each of the following transactions would be recorded. (4 marks)

	Transaction	Book of original entry
a)	Received cash sh. 25,000 from Kamau, a debtor.	
b)	Goods previously sold are now returned by Wanjohi, a debtor, sh. 2000	
c)	Bought furniture on credit sh. 50,000	
d)	Sold goods worth sh. 8000 on credit to James	

- 2) Highlight **four** differences between a savings account and a current account. (4 marks)
 3) State **four** duties of customs officials in the bonded warehouse. (4 marks)
 4) **The following information relates to Malindi traders for the year 2012.**

Turn over	Shs. 540,000
Margin	40%
Rate of turnover	6 times
Expenses	Sh. 80,000

From the above information, calculate:-

- a) Gross profit
 b) Cost of goods sold
 c) Net profit
 d) Average stock (4 marks)
- 5) Isaac has just completed his studies and would like to start a business. Highlight **four** factors that would influence him to locate his business near the market. (4 marks)
 6) Outline **four** disadvantages of automatic vending machines. (4 marks)
 7) Highlight **four** factors that may influence a shift in supply curve to left. (4 marks)
 8) State the effect of the following transactions on the capital indicating either “increase, decrease, or no effect” (4 marks)

	Transaction	Effect on capital
Dec. 21	Owner converted personal property to business property worth sh. 15,000	
Dec. 23	Received a cheque for sh. 15,000 being amount borrowed from a lending institution	
Dec. 25	Business made a profit of sh. 100,000	
Dec 28	Owner took cash sh. 7000 from business for his own personal use.	

- 9) Highlight **four** factors to consider when selecting a means of reproducing documents (4 marks)
 10) State **four** ways in which a society benefits from indirect product. (4 marks)
 11) Outline **four** ways in which the utility of a commodity can be increased. (4 marks)

- 12) Highlight **four** roles played by stock exchange market in the economy. (4 marks)
- 13) Highlight **four** types of direct tax. (4 marks)
- 14) Outline **four** benefits of export processing zones to the economy. (4 marks)
- 15) Classify each of the following items of government expenditure as either development or recurrent. (4 marks)

	Item	Recurrent	Development
a)	Purchase of medicine for hospitals		
b)	Construction on of a new road		
c)	Payment of soldiers' salaries		
d)	Purchase of machinery for road construction		

- 16) In the course of preparing her balance sheet as at 31st December 2014, Joyce found that she had capital amounting to sh. 240,000 in her business. During the year, investments to totalled to sh. 100,000 while drawings were sh. 112,000. Calculate her initial capital as at 1st January 2014 if the profit was sh. 76,000. (4 marks)
- 17) Outline **four** circumstances under which a co-operative society may be dissolved. (4 marks)
- 18) State **four** disadvantages of railway transport. (4 marks)
- 19) Outline **four** roles of filing in an office. (4 marks)
- 20) Highlight **four** advantages of a bill of exchange (4 marks)
- 21) State **four** disadvantages of written communication. (4 marks)
- 22) Highlight **four** functions of advertising agencies. (4 marks)
- 23) Outline **four** challenges of young population. (4 marks)
- 24) State **four** accounting errors that may not be disclosed by the trial balance. (4 marks)
- 25) Highlight **three** causes of demand pull inflation. (4 marks)

GOLDLITE ONLINE SUPPLIES

Kenya Certificate of Secondary Education

KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number

Candidate's Signature.....Date.....

MANGU HIGH SCHOOL TRIAL SERIES

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

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MARKS													

Total marks

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FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

1. State four communication room equipment. (4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
2. Classify the following accounts as either personal, impersonal or private. (4 marks)
 - (a) Furniture account- _____
 - (b) Drawings account- _____
 - (c) Owino's account - _____
 - (d) Rent income account - _____
3. State any four clauses that are contained in a memorandum of association. (4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
4. Outline four means of payment used by commercial banks to transfer money. (4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
5. Mention four features which qualify food as a primary want. (4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
6. Highlight four characteristics of a monopolistic competitive market.(4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
7. Outline four disadvantages of water transport. (4 marks)
 - (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
8. The following information was extracted from the books of JabaliTraders on 31st December 2015

Details	Ksh
Purchases	84,375
Carriage out	7,400
Stock on 1/1/15	67,900
Carriage in	9,170
Stock on 31/1/15	17,970
Returns out	15,520

- (a) Determine net purchases. (4 marks)

9. Classify the following activities into the appropriate level of production. (4 marks)

Activities

Level of production

- (a) Road construction
- (b) Entertainment
- (c) Fishing
- (d) Milk processing

10. Classify the following as the assets or liabilities. (4 marks)

Item

Classification

- (a) Creditors
- (b) Stock
- (c) Bank overdraft
- (d) Chair

11. Highlight four means of written communication. (4 marks)

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

12. The following information relates to Mali MingiTraders.

- (a) On 3rd March 2019, bought equipment worth sh 10,000 on credit from office supplies limited.
- (b) On 21st March 2019, sold a motor vehicle worth sh 87,000 on credit to Gitau.

Record the above information in the general journal. (4 marks)

Date	Details	Folio	Dr	Cr

13. Outline four gaps in the market that may present business opportunities for an entrepreneur. (4 marks)

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

14. Outline four ways in which a firm benefits the community in which it is located. (4 marks)

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

15. Give four malpractices against which consumers may need protection. (4 marks)

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

(d) _____

16. The following information relates to Fair Deal Enterprises for the year ended on 31st December 2015.

Capital 31/12/2015 sh 500,000

Profit sh100,000

Drawings sh60,000

Additional investments sh40,000

Calculate the capital of Fair Deal Enterprises as at 1st January 2015. (4 marks)

17. Outline four reasons why Safaricom Company Limited is spending heavily on advertisement despite the fact that their customers have knowledge of their products. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

18. Name the basic concept in population described in the statements given below.

(a) Population size that is adequate for the full utilization of available resources in the country.

(b) The average number of births per one thousand women in a year. _____

(c) When a country is experiencing higher death rates than birth rates. _____

(d) When a bigger proportion of the population is comprised of people who are above 55 years.

19. State four expenses that are incurred in the process of distributing goods. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

20. Outline four features of multiple stores. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

21. Outline four items that are considered when measuring national income using the expenditure method. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

22. Outline four benefits of a public warehouse. (4 marks)

(a) _____

(b) _____

(c) _____

(d) _____

23. Highlight four possible effects of a positive change to the consumers' preference for a good. (4 marks)

(a) _____

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

24. State the term given to each of the following statements as used in insurance. (4 marks)

- (a) Temporary certificate - _____
- (b) Periodic payments by a policy holder - _____
- (c) Acquiring the rights the insured had of the destroyed property - _____
- (d) Life assurance lasting for a specified period - _____

25. Outline four purposes of a cash book. (4 marks)

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

GOLDLITE ONLINE SUPPLIES

Kenya Certificate of Secondary Education

KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

Name Admission number

Candidate's Signature.....Date.....

NAIROBI SCHOOL TRIAL SERIES

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 hours

INSTRUCTIONS TO CANDIDATES:

- (a) Write your name, index number in the spaces provided above.
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MARKS													

Total marks

CONTACT US ON 0724351706/0726960003

FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES

1. **State four** limitation of direct production. (4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
2. Highlight **four** roles of an entrepreneur to the economy of a country. 4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
3. A modern office requires a computer to carry out multiple functions. Highlight any **four**. (4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
4. **Highlight four** reasons why the Mau escarpment is an important Natural resource. (4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
5. **State four** reasons why it is important for a business to keep financial Records: (4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
6. Highlight the **purpose** of each of the following documents. (4mks)

Document	Purpose
a)Delivery note b)A debit note c)An invoice d)A statement of account	

7. Juma a newly employed teacher has joined Mwalimu Sacco in Bungoma. **Outline four** benefits of membership to the society. (4mks)
 - i.....
 - ii.....
 - iii.....
 - iv.....
8. Redraft the following balance sheet correcting any mistakes. (4mks)

KIP's
Balance sheet
As at 31/8/2010

	Ksh	Cash	19000
Debtors	12000		
Capital	40700	Stock	12200
Creditors	18000	Coop loan	50000
Computers	<u>87500</u>	Bank overdraft	<u>22000</u>
	<u>158200</u>		<u>103200</u>

9. **Highlight four** measures taken by producers to ensure consumers are protected when using their products. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
10. **State four** benefits of a public warehouse to a consumer. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
11. **State four** advantages of using E-mail for communication by a given enterprise. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
12. **Highlight four** reasons why all motor vehicles are required to have insurance cover. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
13. The following information relates to MUSIKO traders for the year ended 31/12/2011
- | | |
|-------------------|------------|
| Sales | Ksh800,000 |
| General expenses | ksh120,000 |
| Commission income | Ksh40,000 |
| Margin | 20% |
- Calculate**
- i) Mark-up percentage (2mks)
- ii) Net profit for the year ended 31/12/2011 (2mks)
14. **State four** importance of computing national income statistics in a country such as Kenya (4mks)
- i.....

- ii.....
- iii.....
- iv.....

15. The following table shows the demand for sugar in a certain town between the years 2006 and 2010

YEAR	Quantity Demanded In Tons
2006	50
2007	70
2008	85
2009	72
2010	65

State four factors that contributed to the trend in demand for sugar between 2008 and 2010.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

16. **State four** reasons why it may be necessary for the Government to encourage new firms to be located in the rural areas.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

17. You are to enter up the purchases journal and the returns outwards journal from the following details

- 2011 October 1.credit purchases from Helen sh20,000
- 2011 October 3. credit purchases from the following; Dan sh12,000,Tom Ksh13,300
- 2011 October 5.Goods returned by us to Tom sh300

(4mks)

18. Recent data indicates that a large proportion of Kenya's population comprises of the youth the ages of 10 to 20 years. **State four** benefits of this to the country.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

19. **State four** reasons why a country may find it necessary to control its imports.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

20. **Highlight four** characteristics of money.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

21. **State four** challenges being faced by Kenya in achieving its stated goal of vision 2030.

(4mks)

- i.....
- ii.....
- iii.....
- iv.....

22. Indicate whether the following types of taxes are **direct or indirect**.

(4mks)

Type of tax	State
a)Corporation tax b)Value added tax c)Income tax d)Customs duty	

23. **State four** recent trends adopted by many firms in product promotion. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
24. **State four** classification of goods and services. (4mks)
- i.....
- ii.....
- iii.....
- iv.....
25. **State four** challenges that a business without a plan will encounter in its operations. (4mks)
- i.....
- ii.....
- iii.....
- iv.....