

Name _____ Index No. _____

Candidate's Signature _____

Date _____

**565/1
BUSINESS STUDIES
PAPER 1
AUGUST 2021
2 HOURS**

GOLDEN ELITE EXAMINATION CYCLE 1

**Kenya Certificate of Secondary Education
BUSINESS STUDIES
PAPER 1
2 HOURS**

INSTRUCTIONS TO CANDIDATES

- Answer all the questions in the spaces provided.

This paper consists of 9 printed pages

1. Identify the type of human want satisfied under the following circumstances.. (4 marks)
 - (a) A student who takes part in a dancing competition _____
 - (b) A rider riding a motor bike for fun _____
 - (c) A farmer who is irrigating tomatoes _____
 - (d) A football fan who pays an air ticket to South Africa to watch world cup match

2. Give **four** reasons why business exist in the society. (4 marks)
 - (i) _____

 - (ii) _____

 - (iii) _____

 - (iv) _____

3. State **four** factors that negatively influence entrepreneurial practices in Kenya. (4 marks)
 - (i) _____

 - (ii) _____

 - (iii) _____

 - (iv) _____

4. Give **four** challenges that a business may face in trying to adopt modern technology in its operations. (4 marks)
 - (i) _____

 - (ii) _____

 - (iii) _____

 - (iv) _____

5. Highlight **four** reasons why traders are trained by the government. (4 marks)
- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

6. Highlight **four** ways in which mergers may be created. (4 marks)
- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

7. Highlight **four** ways of improving the efficiency of a ware house. (4 marks)
- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

8. Outline **four** ways in which large scale organizations are able to reduce their costs of operations. (4 marks)
- (i) _____

- (ii) _____

- (iii) _____

(iv) _____

9. Outline **four** factors that are taken into account when deciding on the type of goods and services to be produced. (4 marks)

(i) _____

(ii) _____

(iii) _____

(iv) _____

10. Give **four** assumptions /characteristics for oligopoly market. (4 marks)

(i) _____

(ii) _____

(iii) _____

(iv) _____

11. State **four** factors which can determine the size of national income. (4 marks)

(i) _____

(ii) _____

(iii) _____

(iv) _____

12. Highlight **four** causes of unemployment in Kenya. (4 marks)

(i) _____

4

- (ii) _____

- (iii) _____

- (iv) _____

13. Mwako traders made the following credit sales in the month of March.

March 1st Nduko sh. 500, Mwangi sh. 6000

2nd Jimmy sh. 3400, Oduor shs. 2400.

3rd Nduko sh. 8000, Oduor sh. 3000

4th Sigei sh. 1200, Jimmy sh. 2000

Record the above credit sales in the sales journal.

(4 marks)

14. State **four** necessary tools used by the Central Bank to control credit creation by Commercial Banks.

(4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

15. Give **four** principles of government expenditure.

(4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

16. Highlight **four** ways through which a government can increase the volume of exports. (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

17. State **four** problems that a planner may encounter in development planning. (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

18. State **four** methods that may be used by the government to correct balance of payment deficit. (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

19. The following relates to Canaan traders for the year ended 31/3/2014.

Drawings Ksh. 20,000

Cost of sale Ksh. 15,000

Mark up 40%

Expenses Ksh. 20,000

Capital as at 31/3/2004 Ksh. 189,000

Determine the capital as at 1/4/2003.

20. The table below contains description relating to some form of business organizations. In the spaces provided below write the form of business organization to which each description refers.

	Description	Form of business organisation
(a)	A written agreement on how the business shall be run must be written down.	
(b)	Pooling together of individual scarce resources to achieve a common goal more efficiently is the guarding principle	
(c)	Formed to provide services that are in the public interest and are formed or controlled by the government.	
(d)	Independent forms may agree to establish a central selling agent through which they sell their produce while retaining their independence.	

21. The following is a combined demand and supply schedule of the number of pens bought and supplied in a week.

Price	Quantity demanded	Quantity supplied
5	100	10
10	80	20
15	60	30
20	40	40
25	30	50
30	20	60
35	10	70

Draw a diagram to show both demand and supply curves indicating the following. (4 marks)

- (i) Equilibrium quantity QE
- (ii) Equilibrium price PE
- (iii) Equilibrium Point PtE

22. State **four** reasons why a manufacturer may offer after sales services (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

23. In a competitive business environment, a business organization has to adjust itself in the provision of its goods and services to beat competitors. State **four** measures that a business organization can take to survive in such an environment. (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

24. The statement below refer to documents used in international trade. Indicate the document described by each statement. (4 marks)

	Statement	Document
(a)	Document used by exporter to declare origin of goods.	
(b)	Document used by importer to give detailed description of goods required	
(c)	A letter used by a commercial Bank as a guarantee of payment of the amount due to exporter after receiving the goods.	
(d)	Document prepared when goods ordered are waded into a ship	

25. Sam traders had the following items on 1st January 2003

<u>Items</u>	<u>Shs</u>
Land	230,000
3 year loan	80,000
Overdraft	22,220
Creditors	26,400
Stock	72,000
Accrued rent	5,000
Building	170,000
5 year loan	140,000
Debtors	34,000
Cash in hand	50,600
Prepaid insurance	4,000

Required:

Calculate the following:

- (a) Capital owned. (1 mark)
 (b) Acid test ratio (1 mark)
 (c) Working capital (1 mark)
 (d) Capital employed (1 mark)

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565/2
BUSINESS STUDIES
PAPER 2
AUGUST 2021
2 ½ HOURS

GOLDEN ELITE EXAMINATION
Kenya Certificate of Secondary Education
BUSINESS STUDIES
PAPER 2
2 ½ HOURS

INSTRUCTIONS TO CANDIDATES

- Answer any 5 questions in the spaces provided after every question.

This paper consists of 13 printed pages

Turn Over

1. (a) State and explain any **five** measures taken by Kenyan government to deal with the problem of youth unemployment. (10 marks)

This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the page.

1. (b) Outline **five** factors considered when determining premiums to be paid for a life assurance policy. (10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

2. (a) Describe **five** ways in which commercial banks enhance development of business activities in an economy. (10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

2. (b) Explain **four** problems associated with determining consumer price indices in an economy. (8 marks)

[illegible]

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3. (b) Outline **five** features that differentiate a perfect competition market from a monopoly market. (10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

4. (a) Explain any **five** problems that farmers encounter when they sell their produce through marketing boards. (10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

4. (b) Discuss **five** factors that influence the decisions on what goods and services to produce. (10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- Required:*

(10 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

5. (b) Summarise and post the transactions in the relevant ledger accounts for the month of Oct. (10 marks)

[illegible]

6. (a) Outline **four** ways in which entrepreneurs contribute to the production of goods and services.

(8 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

6. (b) Explain **six** purposes of public finance in Kenya.

(12 marks)

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