

Name: _____ Adm No.: _____

Candidate's Signature: _____

Date: _____

565/1

BUSINESS STUDIES

Paper 1

SEPTEMBER 2021

Time: 2 hours

KASSU JOINT EXAMINATION - 2021

Kenya Certificate of Secondary Education

565/1

Paper 1

BUSINESS STUDIES

2HOURS

Instructions

❖ *Answer ALL the questions in the spaces provided.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

16	17	18	19	20	21	22	23	24	25

TOTAL

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1. Giving an example in each case, outline the difference between renewable and non-renewable resources (4 marks)

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2. State **four** reasons why diagonal communication needs to be encouraged in an organization. (4 marks)

a).....

b).....

c).....

d).....

3. Mention **four** benefits enjoyed by a member of a producer cooperative society (4 marks)

a).....

b).....

c).....

d).....

4. State **four** measures that the government can use to encourage increase in the country's volume of exports. (4 marks)

a).....

b).....

c).....

d).....

5. Highlight **four** positive impacts of the physical environment on the operations of a business. (4 marks)

a).....
b).....
c).....
d).....

6. Highlight **four** problems associated with monopoly market structure. (4 marks)

a).....
b).....
c).....
d).....

7. Outline **four** role of the mass media in promoting consumer protection. (4 marks)

a).....
b).....
c).....
d).....

8. Outline **four** services offered in agency banking as a trend in the banking sector. (4 marks)

a).....
b).....
c).....
d).....

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

	Functions	Name of machine
i)	Used to trim papers into desired sizes	
ii)	To post information to ledgers and to prepare payrolls	
iii)	To transmit printed messages such as letters, maps, diagrams and photographs	
iv)	To destroy sensitive but unwanted documents	

10. The following balance sheet belongs to Nyakwar Atiyo during the period ended 30th June 2000.

Nyakwar Atiyo Traders
Balance sheet
As at 30.06.2000

<u>Assets</u>	<u>Kshs</u>	<u>Capital + Liabilities</u>	<u>Ksh</u>
Machinery	45,000	Capital	65,000
<u>Current assets</u>		Creditors	45,000
Stock	7,750	<u>Short term liability</u>	
Debtors	1,375	Bank loan	10,000
Bank	<u>25,375</u>		
	<u>79,500</u>		<u>79,500</u>

The following transactions took place on July 1 2000.

- (i) Paid creditors Sh 2000 by cheque.
- (ii) Nyakwar Atiyo took stock worth Shs 7500 from the business for his son's birthday.
- (iii) Motor vehicle previously owned by Nyakwar Atiyo values at sh 200,000 was converted into business vehicles.

Required: Prepare the balance sheet of Nyakwar Atiyo traders as at 2nd July 2000.

11. Highlight **four** roles of advertising agencies in product promotion (4 marks)

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

12. Distinguish between the following categories of government expenditure. (4 marks)

a) Recurrent expenditure

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b) Capital expenditure

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13. Highlight **four** differences between hypermarkets and departmental stores. (4 marks)

a).....
b).....
c).....
d).....

14. The information below was extracted from the books of Lemayian Traders for the year ended 31. 12. 2015

Opening stock	45,000
Closing stock	15,000
Turnover	340,000
Margin	25%

Required:

(i) Gross profit (2mks)

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(ii) Purchases (2mks)

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15. Distinguish between the following terms as used in National Income (3mks)

a) Gross Domestic Product

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b) Gross National Product

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c) Per capita Income

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16. Highlight **four** ways in which the government of Kenya promotes entrepreneurial development (4mks)

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

17. State **four** channels of distribution for importation of agricultural produce. (4mks)

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

18. Outline **four** trends in transport sector. (4mks)

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

19. Outline **four** benefits of indirect production. (4mks)

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

20. Enter the following transactions in the relevant ledger accounts (4mks)

2015

April 1 Janet Cosmetics started a business with Ksh. 150,000 cash

„ 3 Bought stock of goods for Sh. 40,000 and paid in cash

„ 6 Opened a bank account and deposited Sh. 60,000 from the cash till

„ 9 Purchased an office machine for Sh. 25,000 and paid by cheque

21. Give **four** reasons why a producer may need to have their own warehouse (4mks)

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

22. State the name of the source document used to record the following transactions (4mks)

Transaction	Source Document
a) Received goods returned by a buyer who bought them earlier on credit	
b) Making of payment to a casual workers at the end of the week	
c) Bought goods for sale from Gilanis Supermarkets on credit	
d) A customer, Adhiambo, send a cheque for goods she bought earlier on credit	

23. Define the following terms as used in business studies (4mks)

- (i) Annuity
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- (ii) Proposer
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- (iii) Speculative risk
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(iv) Grace period

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24. In the table below fill in the missing figures S,T,U and V.

(4 marks)

Business	Assets(shs)	Capital(shs)	Liabilities(shs)
A	20,000	S	5,000
B	42,000	32,000	T
C	U	17,000	53,000
D	18,000	V	6,000

S.....

T.....

U.....

V.....

25. Compute the consumer price index (CPI) from the following data giving explanation of your outcome (4mks)

Year	Price
2010	300
2011	375

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Name.....Index No...../.....

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

BUSINESS STUDIES

PAPER 2

KASSU JET – SEPTEMBER 2021

2 ½ HOURS

KASSU JOINT EXAMINATION
Kenya Certificate of Secondary Education
BUSINESS STUDIES
Paper 2
2½ hours

Instructions to candidates

- This paper consists of six questions
- Answer any five questions
- All questions carry equal marks
- Write your answers in spaces provided.

For Examiner's Use Only

Question	Maximum score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total Score		

1. (a) Explain five principles of insurance.
- (b) Study the following table of the demand and supply of product x.

Period 2010	Price / units	Qtn dd / units
July	Shs 300	500
August	Shs 300	400
September	Shs 300	200
October	Shs 300	80
November	Shs 300	50

Explain five factors that may have led to the trend above.

2. (a) Giving the types of unemployment, state the causes of the remedies.
- (b) You are a sales executive with a local bank. Describe five steps that you must follow when sent to the field to promote the products of the bank. (10 marks)
3. (a) Discuss five reasons why a country's economy is showing slow increase in their National Income (10 marks)
- (b) Explain five problems that are likely to face the process of implementation of well-prepared economic development plans (10 marks)
4. (a) On 1st June 2015, Ndovu Traders had cash in hand of sh.25,000 and sh.56,200 at bank. During the month, the following transactions took place:
2015
 June 2 Cash sales, sh.42,000.
 June 5 Received a cheque of sh.70,500 from Kiptala Traders after deducting a 6% cash discount.
 June 8 Paid salaries, sh.24,000 cash.
 June 9 Yegon settled his account of sh.45,000 in cash and was allowed sh.1,800 cash discount.
 June 12 Cash sales sh.46,500.
 June 18 Paid Tuitoek's debt of sh.100,000 by cheque after deducting 5% cash discount.
 June 24 Withdrew sh.26,000 from the bank for office use.
 June 30 Banked all the cash except sh.25,000.
 Prepare a 3-column cashbook and balance it off on 30th June, 2015. (10 marks)
- (b) Explain **five** factors that may hinder effective communication in an organization. (10 marks)
5. (a) Explain **five** factors that influence the choice of a product to produce. (10 marks)
- (b) Discuss **five** errors that may not be noticed in a trial balance. (10 marks)

6. (a) Discuss **five** canons of public expenditure. (10 marks)

(b) The following information was extracted from the books of Umeme Traders as at 31st December 2009.

	<u>Shs</u>
Bank loan	567,000
Bank loan interest	1,440
Capital	1,680,000
Closing stock	87,000
Creditors	272,400
Debtors	140,280
Discount allowed	170,400
Electricity	30,240
Furniture	489,804
Furniture repairs	86,436
Gross profit	624,720
Maintenance on premise	72,000
Motor vehicle	1,080,000
Motor vehicle maintenance	360,000
Premise	648,000
Rent received	144,000
Sundry expenses	122,520

Prepare:

(i) Profit and loss account for the year ended 31st December 2009.

(ii) Balance sheet as at 31st December 2009. (10 marks)