

THE ELITES JET



565/1

BUSINESS STUDIES

Paper 1

PRE-MOCK

March 2025 – Time: 2 hours

Name Adm No..... Class.....

School..... Date..... Sign.....

Instructions to Candidates.

- Write your name and Admission Number in the spaces provided above.
- Write your school, class, date of examination and sign in the spaces provided above.
- Answer all questions in the spaces provided in the question paper
- All questions carry equal marks.
- Non-programmable silent electronic calculators may be used.
- This paper consists of **12** printed pages.
- Candidates should check the question paper to ascertain that all pages are printed as indicated and that no questions are missing.
- Candidates should answer the questions in English.

FOR EXAMINERS USE ONLY.

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

TOTA

1. Outline **four** features of indirect production.

(4 marks)

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

2. State **four** functions of money

(4 marks)

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

3. Name the type of employment relating to each of the following descriptions;

(4 marks)

(i) . Caused by alternating trading patterns at similar times

.....

(ii) .Arises where workers have more skills and higher qualifications than the job requirement.

.....

iii. Arises when people are unwilling to take up jobs due to low pay.

.....

(iv.) Arises out of mismatch between the skills possessed by potential employees and the requirement of the job.

.....

3. State **four** characteristics of a successful entrepreneur.

(4 marks)

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

4. Highlight **four** factors which may lead to an increase in a country's national income. (4 marks)

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

5. Outline **four** features of an efficient tax system.

(4 marks)

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

6. State the effects of the following transactions on the balance sheet totals by writing increase, decrease or no effect. (4 marks)

No.	Transaction	Effect
a)	Bought machinery on credit	
b)	Withdrew cash from the business for purpose for personal use	
c)	Purchased stock in cash	
d)	Paid outstanding loan by cheque.	

7. State **four** features of public corporation. (4 marks)

- (i)
-
- (ii)
-
- (iii)
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- (iv)
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8. Outline **four** causes of a positive shift in demand curve. (4 marks)

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

9. State **four** reasons why open office layout is preferred today. (4 marks)

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

10. Give **four** channels followed when tea is exported from Kenya to Japan. (4 marks)

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

11. Highlight **four** ways in which modern technology promotes trade. (4 marks)

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

12. The following balances were obtained from the books of Shah Traders.

	Shs.
Opening stock	50,000
Sales	360,000
Gross profit	25% of sales

Calculate;

a) Cost of goods

(2 marks)

b) Rate of stock turnover

(2 marks)

14. State **four** documents that accompany goods when transported from the seller to the buyer.

(4 marks)

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

15. Outline **four** factors that characterize a market.

(4 marks)

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

16. Outline **one** circumstance under which each of the following telecommunication services may be used. (4 marks)

- a) Paging
- b) Facsimile (fax)
- c) Radio call.....
- d) Telex

17. The following balances appeared in the books of Rongo Traders on 31st December, 2024
Shs.

Opening stock	55,000
Closing stock	60,000
Carriage inwards	5,000
Sales	400,000
Purchases	340,000
Return inwards	48,000
Return outwards	6,000

Prepare the trading account for the year ending 31st December, 2024. (4 marks)

18. Name the types of warehouses associated with each of the statements given below. (4 marks)

No.	Statement	Type of warehouse
	Goods can be stored before payment of custom duty	
	Individuals can hire storage facilities	
	Goods can be stored from several manufacturers	
	Specialized goods are stored.	

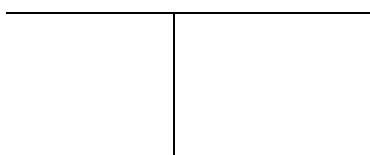
19. State **four** features of demand deposit account. (4 marks)

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

20. Record the following transactions in the relevant ledger accounts. (4 marks)

2024 Aug 1: Started a business with Shs. 4,600 in the bank

“ “ 2: The owner deposited Shs. 30,000 in the business bank account from his private sources.



21. Outline **four** types of advertising.

(4 marks)

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

22. State **four** benefits that may be realized by a country as a result of relocating firms to rural areas.

(4 marks)

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

23. Outline **four** disadvantages of government involvement in commercial activities. (4 marks)

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

24. The following balances were obtained from the books of Kisumu Stores on 1st January 2024.
Prepare the relevant subsidiary book to show the balances. (4mks)

	Shs.
Motor vehicle	230,000
Machinery	40,000
Creditors	10,000
Debtors	5,000
Cash in hand	20,000
Stock	10,000
Insurance prepaid	5,000
Bank	25,000
Premises	335,000
Capital	?

25. State **four** principles that govern operations of insurance business.

(4mks)

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

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