



MARANDA HIGH SCHOOL

Kenya Certificate of Secondary Education

MOCK EXAMINATIONS 2022

565/1

Business Studies

Paper 1

September, 2022

Time: 2 Hours

Name:

Adm No:

Class: Candidate's Signature:

Date: 6th September, 2022

Time: 7.00-9.00 AM

Instructions to candidates

- Write your name, admission number and class in the spaces provided above.
- This paper consist of 25 questions
- Answer **all** the questions in the spaces provided
- Ensure that you have **9** printed pages.

For Examiner's Use Only

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

Questions	16	17	18	19	20	21	22	23	24	25
Marks										

TOTAL MARKS

Turn Over



1. List four types of utility.

(4 marks)

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2. Identify four items that is included in a business plan.

(4 marks)

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3. Highlight four features of oligopoly market structure.

(4 marks)

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4. State four advantages of audio-visual communication

(4 marks)

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5. The following are description of errors. Identify the type of error that matches the description given in the table below. (4 marks)

Description	Type of error
a) Occurs where a transaction is not recorded at all in the books of accounts.	
b) Occurs where errors is both the debit and credit balance are of equal amounts.	
c) Occurs when entries are made in the wrong class of accounts.	
d) Occurs where both the debit and credit entries are made using similar but erroneous figures.	

6. Highlight four assumptions of a two sector economy (4 marks)

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7. List four polices under marine insurance. (4 marks)

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8. Give the right document that relates to the following statements.

(4 marks)

Statement	Document
a) Corrects an undercharge	
b) Shows total amount expected from a number of transactions in a given period.	
c) It's a booklet containing brief description of goods.	
d) Demands payment for goods sold on credit.	

9. Highlight four measures that have been enacted by the government to protect consumers. (4 marks)

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10. Mention four characteristics of assets in an organization. (4 marks)

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11. State four types of demands described in each of the following:

(4 marks)

Description	Type of Demand
a) A farmer needs to produce milk but must first of all breed cows.	
b) A farmer producing cotton for him to get clothes, pillows and blankets	
c) Buying a car leading to purchase of petrol	
d) Consumer purchasing tea instead of coffee to satisfy his needs	

12. Highlight four ways through which a country can increase the volume of exports

(4 marks)

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13. State ways in which commercial banks facilitates payment on behalf of their customers.

(4 marks)

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14. The following transactions took place during the month of March 2021 in the business of Ali Traders 2021

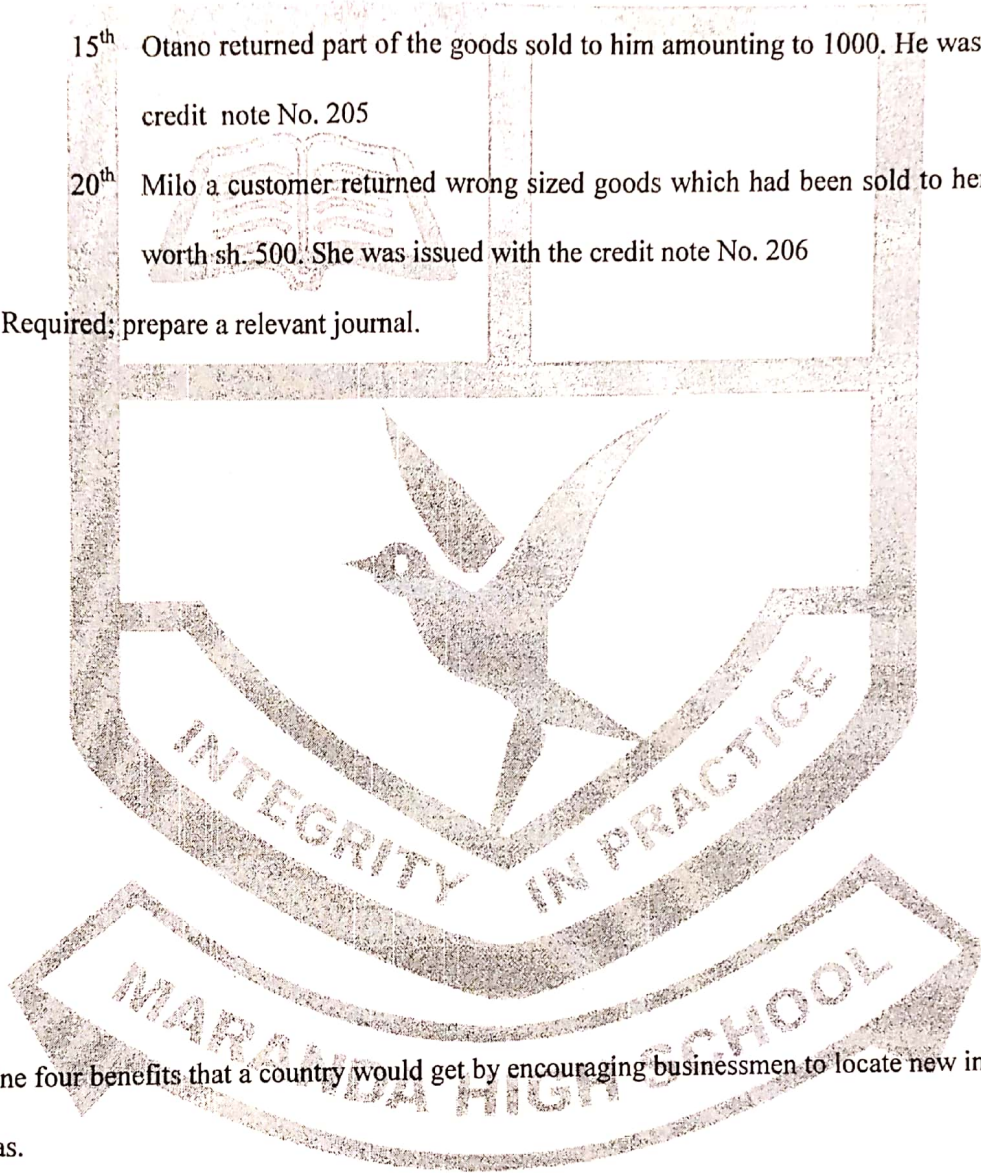
March 5 Hodari traders returned goods amounting to sh. 1500. They were issued credit note No. 204.

15th Otano returned part of the goods sold to him amounting to 1000. He was issued with credit note No. 205

20th Milo a customer returned wrong sized goods which had been sold to her earlier on, worth sh. 500. She was issued with the credit note No. 206

Required; prepare a relevant journal.

(4 marks)



15. Outline four benefits that a country would get by encouraging businessmen to locate new industries in rural areas. (4 marks)

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16. Outline four elements that comprise the internal environment of a business. (4 marks)

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17. Name four documents required for the registration of a limited liability company. (4 marks)

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18. Outline four structural changes that may take place when a country is experiencing economic development. (4 marks)

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19. State Four differences between liners and tramps (4 marks)

LINERS	TRAMPS

20. Mention four expenses incurred by intermediaries in the channel of distribution. (4 marks)

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21. Highlight four requirements that are needed for a smooth functioning of a warehouse. (4 marks)

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22. State four measures which are used to control inflation under monetary policy. (4 marks)

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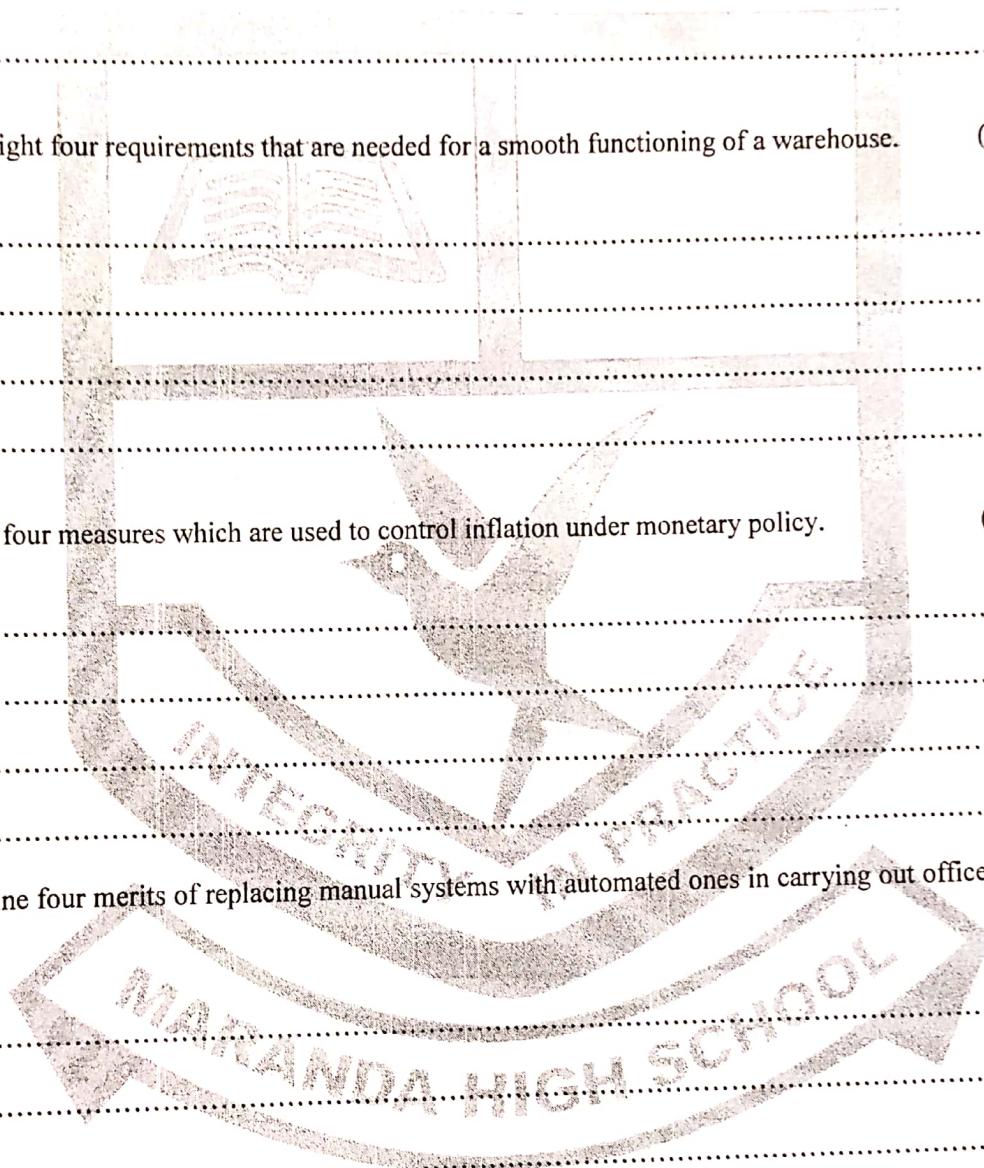
23. Outline four merits of replacing manual systems with automated ones in carrying out office activities. (4 marks)

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24. State four causes of seasonal unemployment in Kenya.

(4 marks)

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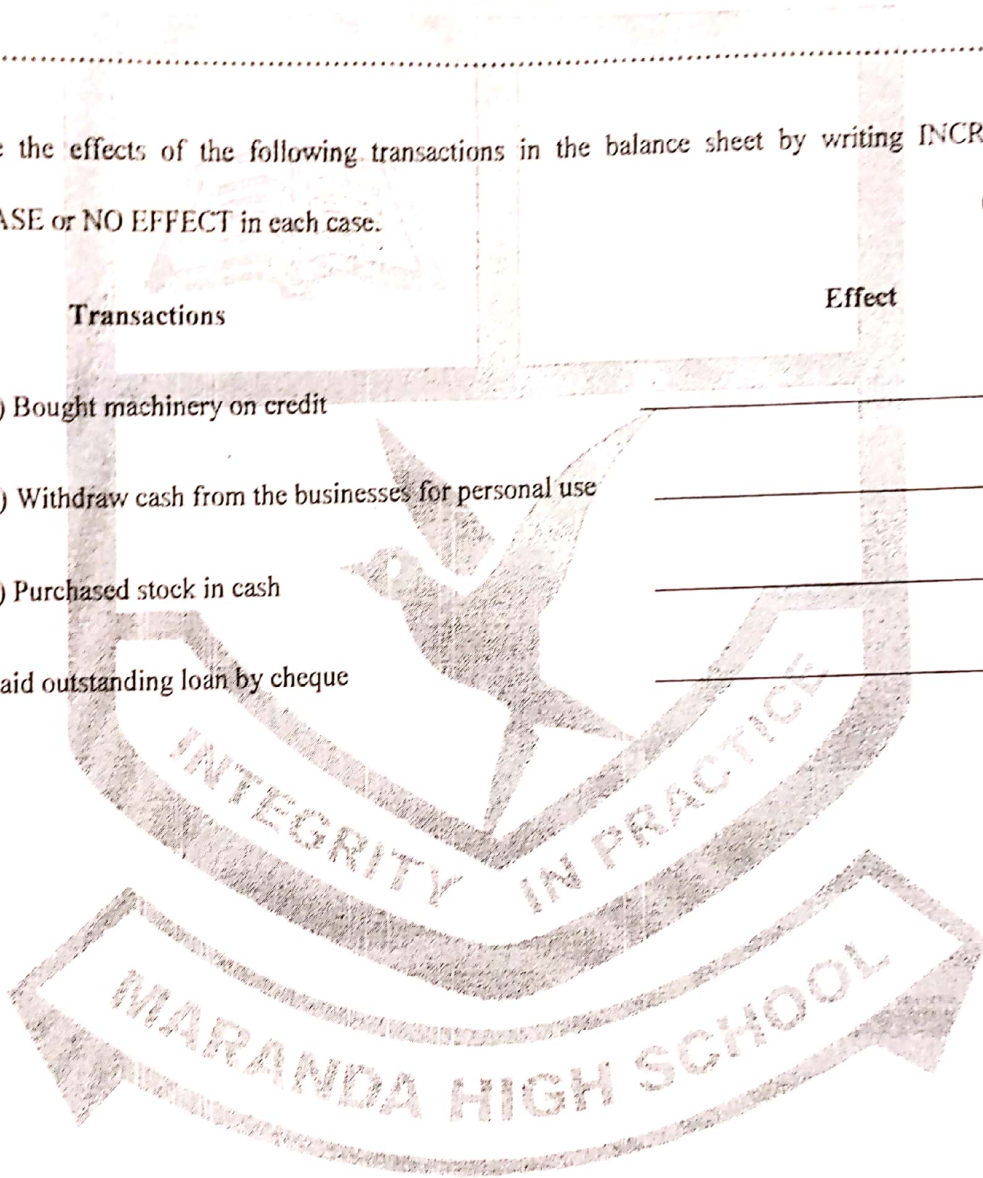
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25. State the effects of the following transactions in the balance sheet by writing INCREASE or DECREASE or NO EFFECT in each case.

(4 marks)

Transactions	Effect
a) Bought machinery on credit	_____
b) Withdraw cash from the businesses for personal use	_____
c) Purchased stock in cash	_____
Paid outstanding loan by cheque	_____



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