

MARANDA HIGH SCHOOL

The Kenya Certificate of Secondary Education

2024 PRE MOCK EXAMINATION

565/1

Business Studies

Paper 1

March, 2024

Time: 2 Hours

Name:	Adm No:
Stream: Signature:	

Instructions to Candidates

- a) Write your name and Admission number in the spaces provided above.
- b) Sign and write the date of examination in the spaces provided above
- c) Answer ALL the questions in the spaces provided below each question.
- d) This paper consists of 8 printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- e) All your answers must be written in English.

For Examiner's Use Only

QUESTION	1	2	3	4	5	6 ·	7	8	9	10	11	12	13
Candidate Score													

QUESTION	14	15	16	17	18	19	20	21	22	23	24	25
Candidate Score					-	<u> </u>					1	

TOTAL MARKS

<u></u>

→ +

565/1: Business Studies PP1

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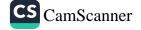
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Candidate Score					-								
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TOTAL MARKS

- I+

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565/1: Business Studies PP1



1.	State the line of communication involved in each of the following (4 Marks)
a)	The manager of Safaricom Ltd. Communicating to the Manager of Airtel Ltd.
b)	An account clerk asking for time off from her boss
c)	Sales manager giving instructions to the secretary of the finance manager
d)	The receptionist giving explanations to the production manager
2.	State FOUR demerits of high taxation to the Kenyan economy. (4 Mari
	ii)
	iii)
	iv)
3.10	lentify the environmental factor described below. (4marks)
a)	Skills and methods used in production
b)	Affects buyer's ability to buy products
c)	Firms selling similar products trying to outdo each other
d)	Aspects of the population.
4.T 202	March 1: Credit purchases from Obirocha Ksh.1,200 and Agwata Ksh.3,000. March 5: Credit sales to Okello Ksh.2,000 and Michieka Ksh.4,300.
	Required: Record the transactions in the relevant journals. (4 Marks)

	antages of localizing firm within one region	
iii)		
iv)		
	ts of using WhatsApp groups for office communicati	
iv)		
	nces that may lead to the dissolution of a partnership	
ii)		
iii)	-	
iv)		
8.The following balance	s were extracted from the books of Ufanisi Enterprises	s on 31st Dec 2022.
Fixed Assets Current Assets	Ksh. 500,000	
Creditors 4 years loan	Ksh. 700,000 Ksh.1,500,000	
	and of the business	(4 Marks)

9. For each of the following descriptions, identify the corresponding method of product promotion.

(4marks)

Description	Method of promotion
a)Free promotion of a product	
b)Strategies to increase sales at the point of promotion	
c) Impersonal presentation of a product through mass media	
d) Meant to improve the reputation of a firm.	

	c, imper	, , , , , , , , , , , , , , , , , , ,		
	d) Mean	t to improve the reputation of a firm.		
		cipants in a two sector economy are hou n each of the statements given.	seholds and fir	levant (arks)
Pu		tement	Participant	
	i)	Payment of goods and services		
	ii)	Sale of factors of production		
	iii)	Payment of factors of production		
	iv)	Sale of goods and services		
11.	i)	FOUR commercial services that facilita		(4marks)
12	Outline F	OUR tools used by central bank to contr	ol credit.	(4marks)
	i)			
	ii)			
	iii)			
	iv)			

Sh. 20,000 15,000 6,000 10% of sales	(1mark)
15,000 6,000	(1mark)
6,000	(1mark)
	(1mark)
10% of sales	(1mark)
	(1mark)
	(1mark)
	(1mark)
	(11)
	(1mark)
	(1mark)
	(Imark)
entrepreneur will experience wi	hen establishing business in
	(4marks)
	entrepreneur will experience w

i		
j	ii)	
1	iii)	
j	iv)	
6	The Ministry of Lands has been accused of being run by cartels. Highlight FOUR cartels to consumers.	(4marks)
	i)	
	ii)	
	iii)	
	iv)	
7. e	Kenya has been experiencing an upward trend in the prices of petrol. State FOUR taken to minimize expenditure on petrol. i)	(4marks)
	ii)	
	ii)iii)iv)	
	iii)iii)iv)iv)	
	iii) iv) State the type of unemployment described below. Experienced where demand for goods and services is seasonal.	
•	iii)iii)iv)	
3.5	iii)iii)iv)	
	iii)	

State FOUR features of a perfectly competitive market. i)	(4marks
ii)	
iii)	
iv)	
20.Outline FOUR reasons that can lead to a correctly drawn cheque being disho	onored. (4marks
i)	
ii)	
iii)	
iv)	
21.If a house worth Kshs 1,200,000 was insured against fire for Kshs 900,000 u average'. Fire occurred and damaged the house causing a loss of Kshs 500,000. of compensation due to the insured. (4ma)	Determine the val
22. State FOUR problems encountered in measuring national income using the (4 marks)	output approach
i)	
ii)	
iii)	
iv)	

ii)_			2	-
iii)_				
iv)_				
The *	able below chow	s the demand and supply of	shoes in a certain region II	se it to answer t
	s that follow.	s the demand and supply of	shoes in a certain region. O	SO IL TO MISWELL
	Price in Ksh	Quantity demanded	Quantity supplied	
_	500	1200	602	
_	550	900	780	
	730	850	850	
_	320	700	905	
	940	620	1600	
		excess sunnly		/ I mar
Dete	ermine the total e			(1 mar
Dete	ermine the total e			
Dete	ermine the total e	excess demand.		

23. On 1st October 2021, Wambu bought goods on credit quoted at shs. 240,000. Terms of sales were; 20 % trade discount and 10 % cash discount if payment was made on 29th October 2021. Calculate the amount paid if payment was made on 26th October 2021. (4 marks)