**KASSU JOINT EXAMINATION**

***Kenya Certificate of Secondary Education***

565/1 - **BUSINESS STUDIES -** PAPER 1

**JUNE- 2024 - TIME: 2 HRS**

NAME: ………………………………………………… ADM. NO.………… CLASS:……… SCHOOL…………………………………CANDIDATE’S SIGNATURE……………………. DATE………………………………….

Instructions to Candidates

1. Write your name, admission number, class and school in the spaces given above.
2. Sign and write the date of the examination in the spaces provided above
3. Answer all the questions.
4. All answers should be written in the space provided below each question.
5. Candidates should check the question paper to ascertain that all the questions are printed.
6. All questions should be answered in English.

**For official use only.**

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |

 **TOTAL**

1. Classify the following resources as renewable or non-renewable resources. (4 Marks)
2. Hydro-electric power \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Building stones \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Gasohol \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Soda ash \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­\_\_\_\_
6. Highlight **four** ways in which the economic environment may positively influence the operations of a business (4 Marks)
7. ………………………………………………………………………………………………….
8. ………………………………………………………………………………………………….
9. ………………………………………………………………………………………………….
10. ………………………………………………………………………………………………….
11. The following items relates to Subukia Traders as at 30th March 2023.

 Ksh.

 Buildings 250,000

 Creditors 30,000

 Five year loan 180,000

 Stock 100,000

 Cash in hand 60,000

 Cash at bank 45,000

 Debtors 15,000

 Bank overdraft 24,000

 Determine Subukia Traders capital as at 30th March, 2023. (4 Marks)

1. Outline **four** circumstances under which air transport may be used by a trader. (4 Marks)
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. ………………………………………………………………………………………………….
6. Identify the book of original entry related to the following source documents. (4 Marks)

|  |  |  |
| --- | --- | --- |
|  | **Source Document** | **Book of original entry** |
| (a) | Invoice issued |  |
| (b) | Credit note received |  |
| (c) | Receipt issued |  |
| (d) | Invoice received |  |

1. Outline **four** roles played by intermediaries in the chain of distribution. (4 Marks)
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. ………………………………………………………………………………………………….
6. The Kenyan government has increased taxes on various products. Outline **four** reasons for this trend. (4 Marks)
7. ………………………………………………………………………………………………….
8. ………………………………………………………………………………………………….
9. ………………………………………………………………………………………………….
10. ………………………………………………………………………………………………….
11. Outline **four** features of property insurance. (4 Marks)
12. ………………………………………………………………………………………………….
13. ………………………………………………………………………………………………….
14. ………………………………………………………………………………………………….
15. ………………………………………………………………………………………………….
16. State **four** functions of the entrepreneur in production of goods and services. (4 Marks)
17. ………………………………………………………………………………………………….
18. ………………………………………………………………………………………………….
19. ………………………………………………………………………………………………….
20. ………………………………………………………………………………………………….
21. Give a brief description of the following trends in forms of business units. (4 Marks)
22. Franchising

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Amalgamation

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Check-off system

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Privatization

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………........................

1. Highlight **four** circumstances under which a Chief Executive Officer may decide to use to letters in communicating to his staff. (4 Marks)
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. ………………………………………………………………………………………………….
6. Outline **four** effects of an increase in demand for a commodity when supply remains constant.

 (4 Marks)

1. ………………………………………………………………………………………………….
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. Highlight **four** limitations of using per capita income to compare standards of living between Kenya and China. (4 Marks)
6. ………………………………………………………………………………………………….
7. ………………………………………………………………………………………………….
8. ………………………………………………………………………………………………….
9. ………………………………………………………………………………………………….
10. State the effect of the following transactions on the balance sheet totals. (4 Marks)

|  |  |
| --- | --- |
|  **Business transaction** | **Effect on balance sheet total** |
| 1. The sole proprietor brought additional capital to the business.
 |  |
| 1. Sold goods by cash.
 |  |
| 1. Paid outstanding loan by cheque
 |  |
| 1. Disposed an outdated computer at a loss
 |  |

1. The following balances relates to the retail business of Naisula for the month of April 2021

Sales 120,000

Expenses 20% of sales

Cost of goods sold 80,000

**Calculate**:

(i) Mark up. (1 Mark)

(ii) Margin. (1 Mark)

(iii) Total expenses. (1 Mark)

(iv) Net profit. (1 Mark)

1. The inflation levels vary from one country to another. State any **four** levels that can be experienced in different economies of the world. (4 Marks)
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. ………………………………………………………………………………………………….
6. List **four** forms of open trade credit. (4 Marks)
7. ………………………………………………………………………………………………….
8. ………………………………………………………………………………………………….
9. ………………………………………………………………………………………………….
10. ………………………………………………………………………………………………….
11. State **four** reasons why many organizations prefer an open office plan for employees (4 Marks)
12. ………………………………………………………………………………………………….
13. ………………………………………………………………………………………………….
14. ………………………………………………………………………………………………….
15. ………………………………………………………………………………………………….
16. Highlight **four** duties performed by commercial attaches in trade promotion (4 Marks)
17. ………………………………………………………………………………………………….
18. ………………………………………………………………………………………………….
19. ………………………………………………………………………………………………….
20. ………………………………………………………………………………………………….
21. State **four** benefits of bonded warehouses to the government (4 Marks)
22. ………………………………………………………………………………………………….
23. ………………………………………………………………………………………………….
24. ………………………………………………………………………………………………….
25. ………………………………………………………………………………………………….
26. Outline **four** measures that the government of Kenya can implement so as to encourage the establishment of firms in different counties across the country. (4 Marks)
27. ………………………………………………………………………………………………….
28. ………………………………………………………………………………………………….
29. ………………………………………………………………………………………………….
30. ………………………………………………………………………………………………….
31. Study the following diagram.

Output/

capita

 A B

 Optimum Population Population

Mention **four** challenges facing a country whose population is in the part marked B (4 Marks)

1. ………………………………………………………………………………………………
2. ………………………………………………………………………………………………
3. ……………………………………………………………………………………………..
4. ……………………………………………………………………………………………..

1. Give the name of the type of ledger where the accounts given below are kept (4 marks)

|  |  |
| --- | --- |
| **Account** | **Type of Ledger** |
| 1. Purchases
 |  |
| 1. Gilanis (Supplier)
 |  |
| 1. Salaries & Wages
 |  |
| 1. Drawings
 |  |

1. State **four** factors that influences the amount of money one can hold for transaction motive

 (4 marks)

1. ………………………………………………………………………………………………….
2. ………………………………………………………………………………………………….
3. ………………………………………………………………………………………………….
4. ………………………………………………………………………………………………….
5. Describe the following documents as used in International trade (4 marks)
6. Import license

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Certificate of origin

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Bill of lading

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Letter of credit

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………