**Name………………………………………………………. Adm No………………**

**Stream …………………… Date ………………………….…**

**Candidate’s Signature………………………**

 **END OF TERM ONE -2023 EXAM**

565 **BUSINESS STUDIES FORM THREE**

**Time: 2 Hours**

**Kenya Certificate of Secondary Education (K.C.S.E)**

**FORM THREE BUSINESS STUDIES**

**ANSWER ALL QUESTIONS IN THIS PAPER**

1. State four economic elements that influence business operation (4 mks)

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1. State four essential elements for a transport system to function efficiently (4 mks)

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1. Apart from personal saving highlight four other sources of capital for a sole proprietorship (4 mks)

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1. Give four differences between goods and services (4 mks)

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| --- | --- | --- | --- |
|  | GOODS |  | SERVICES |
| (a) |  | (a) |  |
| (b) |  | (b) |  |
| (c) |  | (c) |  |
| (d) |  | (d) |  |

1. Outline four circumstances under which a correctly drawn cheque can be dishonoured (4 mks)

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(b) .....................................................................................................................................................................

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1. The following are some of uses of office equipments. Indicate in the table below the most appropriate equipment one will use to perform the following functions

|  |  |  |
| --- | --- | --- |
|  | ***Use*** | ***Equipment*** |
|  | For trimming documents into required shapes and sizes |  |
|  | To make holes in papers to facilitate filing |  |
|  | To fold documents, place them in envelopes and seal the envelopes |  |
|  | For printing postage impression on envelopes |  |

1. The diagram below shows a shift in demand curve.

Price

Quantity

D0

D1

D0

D1

From the above diagram state the factors that factors that could have contributed to the shift. (4 mks)

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(b) .....................................................................................................................................................................

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1. State the line of communication involved in each of the following (4 mks)
2. The Manager of Safaricom Ltd talking to the Manager of Zeraki Softwares Company Ltd.

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1. A secretary asking for time off from her boss ………………………………………………
2. The Production Manager giving instruction to the secretary of the Sales Manager

…………………………………………………………………………………………….

1. The store keeper giving explanations to the Chief Accountant ……………………………
2. If a house worth Kshs. 1,200,000 was insured against fire for Ksh. 900,000 under the “with average clause” Fire occurred and damaged the house causing a loss of Kshs. 500,000. Determine the value of compensation due to the insured. (4 mks)
3. List four types of warehouses (4 mks)

(a) .....................................................................................................................................................................

(b) .....................................................................................................................................................................

(c) .....................................................................................................................................................................

(d) .....................................................................................................................................................................

1. Highlight four ways in which the government get involved in business (4 mks)

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12. Outline **four** factors that should be considered of a means for transporting perishable goods. (4 mks)

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13. Highlight **four** circumstances under which personal selling is appropriate. (4 mks)

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(b) .....................................................................................................................................................................

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14. Outline **four** benefits a firm will get by adopting division of labour and specialization in production (4 mks)

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15. Outline **four** roles of Nairobi Securities Market in the economy. (4 mks)

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16. State **four** factors that a trader should consider before offering a credit to a customer. (4 mks)

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17. Highlight **four** features of an open – air market. (4 mks)

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(b) .....................................................................................................................................................................

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18. State **four** reasons why choice should be made in satisfying human wants. (4 mks)

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19. Outline **four** reasons why the government issue licence to drivers. (4 mks)

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20. Classify the following economic resources. (4 mks)

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| --- | --- |
| **RESOURCE** | **CLASSIFICATION** |
| 1. Oil
 |  |
| 1. Ship captain
 |  |
| 1. Hydroeletric power plant
 |  |
| 1. Standard gauge railway
 |  |

21. (a) Explain **five** roles of entrepreneurship to the economy of Kenya. (10 mks)

 (b) Explain **five** external environment factors that may influence the operations of a business positively. (10 mks)