**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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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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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

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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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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)