**TERM 2 - 2022**

**BUSINESS STUDIES 565/1**

**PAPER 1**

**FORM FOUR (4)**

**TIME** **2½Hrs**

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

**School**: ……………………………………………………….. **Class**: …………………..

**Signature**: …………………………………………………….. **Date**: …………………...

Instructions

1. Answer all questions in the space provided
2. List four reasons why a business exists. (4 Marks)
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. ………………………………………………………………………………………
6. ………………………………………………………………………………………
7. State four elements that constitute the internal business environment. (4 Marks)
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. ………………………………………………………………………………………
12. Most firms are adopting electronic filing systems. Mention 4 demerits of using such a system (4 Marks)
13. ………………………………………………………………………………………
14. ………………………………………………………………………………………
15. ………………………………………………………………………………………
16. ………………………………………………………………………………………
17. Identify the type large scale retailers described by each of the following statements (4Marks)
18. Huge shopping complexes with many shops under one roof each under a different management ………………………………………………………………………..
19. Many shops under one roof and one management each selling a particular line of products……………………………………………………………………………..
20. Businesses where customers make their orders through the post

………………………………………………………………………………………

1. Shops operated by one company and located in different areas where they sell specialized products ………………………………………………………………..
2. Highlight four circumstances under which a co-operative may be dissolved (4 Marks)
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. ………………………………………………………………………………………
6. ………………………………………………………………………………………
7. Highlight four barriers to effective communication (4Marks)
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. ………………………………………………………………………………………
12. Identify four ways in which the efficiency of a warehouse can be guaranteed (4 Marks)
13. ………………………………………………………………………………………
14. ………………………………………………………………………………………
15. ………………………………………………………………………………………
16. ………………………………………………………………………………………
17. State four circumstances under which an insurance policy may be terminated (4 Marks)
18. ………………………………………………………………………………………
19. ………………………………………………………………………………………
20. ………………………………………………………………………………………
21. ………………………………………………………………………………………
22. Highlight four factors that may cause the supply curve to shift to the right (4 Marks)
23. ………………………………………………………………………………………
24. ………………………………………………………………………………………
25. ………………………………………………………………………………………
26. ………………………………………………………………………………………
27. State four measures that Kenya government may take to attract firms to an area. (4 marks)
28. ………………………………………………………………………………………
29. ………………………………………………………………………………………
30. ………………………………………………………………………………………
31. ………………………………………………………………………………………
32. The following is a representative basket of an average family.

Year Prices

2019 6,000

2020 7,200

Determine the increase in C.P.I using 2019 as a base year. (4 Marks)

1. Highlight four factors which may contribute to business failure (4 Marks)
2. ………………………………………………………………………………………
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. ………………………………………………………………………………………
6. Highlight four problems associated with the income approach of measuring the national income (4 Marks)
7. ………………………………………………………………………………………
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. Highlight four features associated with a monopoly market structure. (4 Marks)
12. ………………………………………………………………………………………
13. ………………………………………………………………………………………
14. ………………………………………………………………………………………
15. ………………………………………………………………………………………
16. Outline four roles of transport in the facilitation of trade (4 Marks)
17. ………………………………………………………………………………………
18. ………………………………………………………………………………………
19. ………………………………………………………………………………………
20. ………………………………………………………………………………………
21. The following balances were extracted from the books of Maua Traders on 31st December, 2020.

Shs

Fixed assets 300,000

Current assets 123,700

Creditors 84,500

5 year loan 125,000

Determine the net worth of the business as at 31st December 2020 (4 Marks)

1. Highlight three ways in which the introduction of money helped eliminate problems faced in barter trade (3 marks)
2. ………………………………………………………………………………………
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. Highlight four forms of economic integration (4 marks)
6. ………………………………………………………………………………………
7. ………………………………………………………………………………………
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. State four measures that the government can use to encourage increase in the country‘s volume of exports. (4 Marks)
11. ………………………………………………………………………………………
12. ………………………………………………………………………………………
13. ………………………………………………………………………………………
14. ………………………………………………………………………………………
15. Unemployment solving has been an agenda to Kenya. Identify the type of unemployment being solved below. (4 marks)
16. Government initiating irrigation projects to ensure continuous production of food

…………………………………………………………………………………….

1. Retraining teachers to embrace use of technology in teaching and learning

…………………………………………………………………………………….

1. Government and private sectors inventing job advertisement sites for easy access by job seekers

…………………………………………………………………………………….

1. Parliament passing legislation that accommodate the disabled people to acquire jobs………………………………………………………………………………
2. The following information relates to Makini Traders for the year ending 31st December 2015.

Margin 15%

Sales 640,000

Purchases 480,000

Stock on 1/1/2015 130,000

Closing stock ?

*Required* Trading Account of Makini Traders for the year ending 31st December 2015. (5Marks)

1. State any four types of advertising that a trader may adopt (4 Marks)
2. ………………………………………………………………………………………
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. ………………………………………………………………………………………
6. State any four types of indirect taxes in Kenya (4 Marks)
7. ………………………………………………………………………………………
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. State four problems encountered at the plan implementation stage in economic planning and development (4 Marks)
12. ………………………………………………………………………………………
13. ………………………………………………………………………………………
14. ………………………………………………………………………………………
15. ………………………………………………………………………………………
16. Wanja enterprises had the following assets and liabilities on 5th October 2021.

|  |  |
| --- | --- |
| Item | Kshs |
| Equipment | 800,000 |
| Capital | 1,200,000 |
| Creditors | 100,000 |
| Debtors | 200,000 |
| Stock | 250,000 |
| Cash at bank | 50,000 |

The following transactions took place on 7th October 2021.

1. Bought goods for resale Ksh. 150,000 on credit
2. A debtor paid Ksh. 50,000 by cheque
3. Sold the equipment for Ksh. 700,000 cash

Required : Prepare Wanja enterprises balance sheet after the above transactions (4 Marks)