**NAME………………………………………………….…… INDEX NO.:……………………...**

**STREAM: .…..………………………………………………… ADM NO: …………………………**

**DATE: …………………….………**

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**AUGUST/SEPTEMBER 2022**

**TIME: 2 HOURS**

**MINCKS GROUP OF SCHOOL**

**FORM FOUR EXAM**

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**TIME: 2 HOURS**

**Instructions to Candidates:**

* Write your Name, School and Admission number in the spaces provided
* Answer ***all*** the questions in the spaces provided.
* Check that the question paper has all pages printed and that no questions are missing.

**FOR EXAMINERS USE ONLY**

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

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTIONS** | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| **MARKS** |  |  |  |  |  |  |  |  |  |  |

1. State **four** ways in which the utility of a product can be increased. (4mks)

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1. Highlight **four** disadvantages of operating an enclosed office layout. (4mks)

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1. State **four** reasons why Countries may decide to trade with each other. (4mks)

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1. State **four** functions of the Central Bank of Kenya. (4mks)

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1. Odhiambo provided the following information for the month of January 2019

Sh.

Opening stock 200,000

Closing stock 300,000

Purchases 500,000

Margin 20%

Prepare his trading account for the month ending 31st January 2019

1. State **four** indicators of economic development. (4mks)

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1. State **four** consequences that may arise due to poor arrangement of goods in a warehouse. (4mks)

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1. The inflation rate in Country X moved from 5.8% to 9.4%. State four positive outcomes of this change. (4mks)

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1. Highlight **four** circumstances under which a manufacturer would find it necessary to carry out market research. (4mks)

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1. State **four** factors that determine the amount of revenue collected by the Kenyan Government through taxation. (4mks)

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1. The following balances were extracted from the books of Shiku Traders for the year ended 30th June 2010.

Debtors 120,000 Cash at bank 180,000

Creditors 60,000 5 years bank loan 270,000

Machinery 450,000 Stock 60,000

Cash in hand 70,000

Prepare a balance sheet of Shiku traders as at 30th June 2010

1. Highlight **four** guidelines that may heir an entrepreneur in identifying a viable business opportunity. (4mks)

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1. On January 1st 2006, Mwaniki Traders had sh. 180,000 cash and sh. 170,000 at bank. During the month the following transactions took place:

2006 Jan 10: paid ABM Trades sh.25,000 by cheque sh. 1000 cash discount.

2006 Jan 16: Sold goods for sh.14,000 cash cash less 5% discount.

Enter the above transaction in a cash book and balance it off. (4mks)

1. Identify the error committed in the following cases. (4mks)

|  |  |
| --- | --- |
| (i) A transaction took place but was not recorded. |  |
| (ii) Entries are made on the wrong sides of the relevant account. |  |
| (iii) Entries are made correctly but in the wrong class of accounts |  |
| (iv) Errors in both credit and debit entries are of equal magnitude and cancels out each other. |  |

1. Outline **four** factors that determine the amount of money that an individual may hold inorder to meet unexpected expenses. (4mks)

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1. State **four** factors which determine the size of a Country’s national income. (4mks)

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1. Outline **four** ways in which the nature of a product influences the choice of a distribution channel. (4mks)

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1. In the spaces provided in the table below, name the document Jambi LTD would issue under the circumstances described. (4mks)

|  |  |
| --- | --- |
| Circumstances | Source document |
| (i) Jambi LTD sold goods worth Ksh.54,000 on credit to Jamilar Traders |  |
| (ii) Osuri Enterprises which had bought goods worth Shs.27,000 was  erroneously charged for only Sh.25,000. |  |
| (iii) Guru Traders paid shs.33,900 by cheque to Jamii LTD for goods which had been supplied. |  |
| (iv) Goods sold to Jamilar Traders had been overprices by Shs.4,000. |  |

1. State **four** reasons why the Kenyan government has been organizing seminars and workshops for training youths in business. (4mks)

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(b)…………………………………………………………………………………………………

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1. State **four** ways in which the legal political environment may improve business performance.

(4mks)

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(b)…………………………………………………………………………………………………

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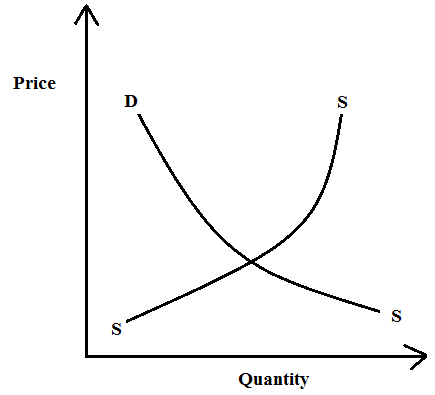
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1. Give **four** differences between a Public limited company and a partnership.

|  |  |
| --- | --- |
| Public Limited Company | Partnerships |
| (i) |  |
| (ii) |  |
| (iii) |  |
| (iv) |  |

1. The graph below represents the demand and supply curve for milk.

Price



State **four** effects of shift of the demand curve to the right. (4mks)

(a)…………………………………………………………………………………………………

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(b)…………………………………………………………………………………………………

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(c)…………………………………………………………………………………………………

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1. State **four** reasons why bill boards are popular in product promotions. (4mks)

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1. Highlight **four** measures that a government may take to correct a balance of payment deficit in the Country (4mks)

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1. Mention **four** benefits that may enjoyed by a Country that is experiencing over- population.

(4mks)

(a)…………………………………………………………………………………………………

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