**NAME: ……………………………… INDEX NUMBER: ………….…………………….. SCHOOL……………………… SIGNATURE: ………............. DATE: ………………….**

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**FORM 4**

**TIME: (2 HOURS)**

**DECEMBER EXAM 2021**

**KENYA CERTIFICATE OF SECONDARY EDUCATION**

**BUSINESS STUDIES**

**PAPER I**

**INSTRUCTIONS TO CANDIDATES**

Answer all the questions

1. Highlight four benefits that a community should derive from a manufacturing firm. (4mks)

(a)

(b)

(c)

(d)

1. State four ways in which corona virus pandemic has negatively affected business activities. (4mks)

(a)

(b)

(c)

(d)

1. Highlight four ways in which a firm can improve the productivity of its human resources. (4mks)

(a)

(b)

(c)

(d)

1. Classify each of the following production activities as either primary, secondary or tertiary. (4mks)

Digging clay soil –

Construction of a bridge –

Growing vegetables –

Transportation of medicine –

1. Identify four gaps that may create a business opportunity in the market. (4mks)

(a)

(b)

(c)

(d)

1. Highlight reasons that would make an organization use cell phones for communication within and outside the organization. (4mks)

(a)

(b)

(c)

(d)

1. Give four reasons that make warehousing a vital aid to trade. (4mks)

(a)

(b)

(c)

(d)

1. Highlight four features of insurable risks. (4mks)

(a)

(b)

(c)

(d)

1. State four circumstances under which a producer may use personal selling to promote a product. (4mks)

(a)

(b)

(c)

(d)

1. Give four benefits of operating a small scale business over a large scale. (4mks)

(a)

(b)

(c)

(d)

1. Identify four factors that may lead to an increase in the level of national income of a country. (4mks)

(a)

(b)

(c)

(d)

1. Outline four ways in which a youthful population may be useful to an economy. (4mks)

(a)

(b)

(c)

(d)

1. The following transactions relate to Jelimo stores;

October 10th 2015 Sold unused stationery for 3,000 on credit to K. Likia.

October 23rd 2015 Bought a motor vehicle on credit from Wamalwa motors 700,000.

*Required*

Record the above transactions in the general journal given below. (4mks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Folio** | **Dr** | **Cr** |
|  |  |  |  |  |

1. Identify the ledgers in which the following accounts are kept . (4mks)

**Account Ledger**

1. Machinery -
2. Capital -
3. Pendo (debtor) -
4. Rent -
5. Fill in the missing figures on the table below. (4mks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FIXED ASSETS | CURRENT ASSETS | CAPITAL | LIABLITIES |
| a | 275,500 |  | 315,000 | 115,500 |
| b | 182,000 | 108,700 |  | 217,100 |
| c |  | 76,400 | 123,100 | 91,900 |
| d | 313,450 | 211,340 | 189,170 |  |

1. Describe four channels that may be used to distribute imported products. (4mks)

(a)

(b)

(c)

(d)

1. Outline four reasons why banks current account is popular with traders. (4mks)

(a)

(b)

(c)

(d)

1. Outline four benefits of proper filing to an organization. (4mks)

(a)

(b)

(c)

(d)

1. Identify any four characteristics of a monopolistic competitive market. (4mks)

(a)

(b)

(c)

(d)

1. The diagram below shows a shift in demand curve from do do to di di

di

do

do di

Identify four factors that have made the demand to shift from do do to di di. (4mks)

(a)

(b)

(c)

(d)

1. Outline four limitations of containerization. (4mks)

(a)

(b)

(c)

(d)

1. The following balances were extracted from the books of Wema traders on 30th October 2020.

Cash 20,520

Bank – 160,230

Premises – 800,000

Debtors – 40,000

Creditors – 62,000

2 year loan – 40,000

Stock – 2,500

Prepare a balance sheet. (4mks)

1. State four causes of cost push inflation. (4mks)

(a)

(b)

(c)

(d)

1. Highlight four problems encountered in the process of implementing development plans. (4mks)

(a)

(b)

(c)

(d)

1. Outline four roles of stock exchange market in the development of the Kenyan economy. (4mks)

(a)

(b)

(c)

(d)