



MASENO SCHOOL MOCK – 2022

Kenya Certificate of Secondary Education



565/1

Paper 1

BUSINESS STUDIES Sept. 2022 – 2½ Hours

Name Admission Number

Class Date Candidate's Signature.....

Instructions to candidates

- a) Write your name and Admission Number in the spaces provided above.
- b) Write your class, date of examination and sign in the spaces provided above.
- c) Answer all questions in the spaces provided in the question paper
- d) All questions carry equal marks.
- e) Non-programmable silent electronic calculators may be used.
- f) This paper consists of 12 printed pages.
- g) Candidates should check the question paper to ascertain that all pages are printed as indicated and that no questions are missing.
- h) Candidates should answer the questions in English.

For Examiner's Use Only

Questions	1	2	3	4	5	6	7	8	9	10	11	12	13
Marks													

14	15	16	17	18	19	20	21	22	23	24	25

Total

1. Highlight **four** ways in which Internal Business environment can be improved. (4mks)

- i)
- ii)
- iii)
- iv)

2. Outline **four** internal diseconomies of scale that a larger firm may suffer from. (4mks)

- i)
- ii)
- iii)
- iv)

3. Highlight **four** factors that encourages entrepreneurship development in a Kenya. (4mks)

- i)
- ii)
- iii)
- iv)



4. Mention **four** measures the Kenyan Government can take to improve performance of parastatals. (4mks)

i)

.....

ii)

.....

iii)

.....

iv)

.....

5. In the table below classify the following items as either intermediate, capital, consumer or public goods. (4mks)

ITEMS	CLASSIFICATION OF GOODS
i) Lorry	
ii) Television in the House	
iii) Church	
iv) Cotton	



6. Name the tax described in each of the following cases. (4mks)

DESCRIPTION	TAX
i) Charged when a property of the dead is transferred to the next person	
ii) Charged when an asset is being sold at higher value than the original cost	
iii) Charged on the profits of the Business organizations.	
iv) Charged on goods and services sold from Kenya to other countries.	

7. Outline **four** benefits the office enjoys from the use of modern office equipment. (4mks)

- i)
-
- ii)
-
- iii)
-
- iv)
-



8. The following assets and liabilities were obtained from Wanjala traders on 27th Feb, 2021. (4mks)

Capital	120,000
Land	60,000
Creditors	35,000
Debtors	40,000
Stock	45,000
Bank	10,000

On 28th February, the following transactions took place

Sold stock worth ksh.20,000 on credit

The piece of land was sold for 75,000 cash.

Required: Prepare Wanjala's balance sheet as at 28/12/2021.



9. The trend below shows supply of cabbages in a market during the years indicated

Year	Supplied Quantity
2015	10,000
2016	8,300
2017	6,230
2018	5,100

Outline four factors leading to the trend above. (4mks)

- i)
-
- ii)
-
- iii)
-
- iv)
-

10. Use the following information to prepare trading account of Chebukati Traders for the period ended 31/1/2020. (5mks)

Opening stock	Sh.200,000
Closing stock	Sh.300,000
Purchases	Sh.500,000
Margin	20%

Required: Prepare Chebukati’s trading account for the period ended 31/1/2020.



11.Highlight **four** benefits of economic planning in a country (4mks)

- i)
- ii)
- iii).....
- iv)

12.Highlight the importance of each of the following documents used in foreign trade.. (4mks)

- i) Revocation letter of credit
- ii) Closed indent
- iii) Consular invoice
- iv) Letter of Hypothecation.....



13. Mention **four** factors to be considered before location of a public warehouse. (4mks)

- i)
- ii)
- iii)
- iv)

14. Highlight **four** importance of political stability to businesses in the country. (4mks)

- i)
- ii)
- iii)
- iv)

15. Outline **four** conditions that an insurance policy must have for it to be legally valid. (4mks)

- i)
- ii)
- iii)
- iv)



16.State **four** features of effective communication. (4mks)

- i)
- ii)
- iii)
- iv)

17.Highlight **four** statutory measure in controlling of inflation. (4mks)

- i)
- ii)
- iii)
- iv)

18.State **four** ways in which Central Bank act as a Banker to the commercial banks. (4mks)

- i)
- ii)
- iii)
- iv)



19. Outline four problems encountered in measuring National Income using Income approach. (4mks)

- i)
-
- ii)
-
- iii)
-
- iv)
-

20. State the type of ledger in which the following accounts are kept. (4mks)

Account	Ledger
i) Premises Account	
ii) Profit and loss Account	
iii) Omollo, (a debtor)	
iv) Bank Account	



21. Mention **four** accounting documents that are used in Home trade. (4mks)

i)

ii)

iii)

iv)

22. Outline **three** conditions necessary for price discrimination in the market by monopoly. (3mks)

i)

ii)

iii)

iv)



23.Highlight **four** importance of transport in the economy. (4mks)

- i)
- ii)
- iii).....
- iv).....

24.Outline **four** ways in which manufacturers may enhance consumer protection. (4mks)

- i)
- ii)
- iii).....
- iv).....

25.Outline **four** current trends in product promotion in Kenya . (4mks)

- i)
- ii)
- iii).....
- iv).....

