**565/1**

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

**SIGNATURE: …,…………………………………………………………………………….…… DATE : ……………………………..………………………**

ASUMBI GIRLS HIGH SCHOOL

POST -MOCK 1

AUGUST/SEPTEMBER

2022

**AUGUST / SEPTEMBER - 2022**

**BUSINESS STUDIES**

**Paper 1**

**TIME: 2 HOURS**

**Instructions to Candidates**

1. *Write your name and index number in the spaces provided above.*
2. *Sign and write the date of the examination in the spaces provided above.*
3. *This paper consists of* ***25*** *questions.*
4. *Answer ALL questions in the spaces provided*
5. *This paper consists of* ***10*** *printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing*
6. *Candidates should answer the questions in* ***English***

***For Examiner’s Use Only***

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Questions** | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| **Marks** |  |  |  |  |  |  |  |  |  |  |

**TOTAL MARKS**

*Turn Over*

1. State four merits associated with internal borrowing (4 marks)

...………………………………………………...………………………………………………………………

……………………………………………….…….………………………………………………….…..….…

…………………………………………………….……………………………………………………………

……………………………………………………..……………………………………………………………

2. State four consequences that may arise due to poor arrangement of goods in a warehouse (4 marks)

...………………………………………………...…………………………………………………………

……………………………………………….…….………………………………………………….…..….…

…………………………………………………….……………………………………………………………

……………………………………………………..……………………………………………………………

3. The inflation rate in county moved from 6.1% to 7.6%. State four positive outcomes of this change (4 marks)

...………………………………………………...………………………………………………………………

……………………………………………….…….………………………………………………….…..….…

…………………………………………………….……………………………………………………………

……………………………………………………..……………………………………………………………

4. The following balance sheet was incorrectly prepared

CHUMA Enterprises

Balance sheet

As at 31st October 2020

|  |
| --- |
| Bank overdraft 15,000  Motor vehicle 70,000  Debtors 37,000  Creditors 26,000  148,000 |
|  |

Capital 100,000

Stock 28,000

Cash in hand 4,000

Fixtures 2,000

134,000

Prepare the correct balance sheet arranged in **order of liquidity** to show fixed assets, current assets, current liabilities and capital. (4 marks)

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

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

6. State four factors that determine the amount of revenue collected by Kenyan government through taxation. (4marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

7. Other than the use computers in an office, mention four recent trends in office management. (4 marks)

……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

8. State any four principles that govern the operations of co-operative societies in Kenya (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

9. The table below represents quantity of commodity X demanded by consumer **A and B.**

|  |  |  |
| --- | --- | --- |
| **Price per unit of x** | **Quantity of x demanded by A in a week.** | **Quantity of commodity X demanded by B in a week.** |
| 20 | 200 | 400 |
| 10 | 200 | 600 |
| 5 | 300 | 700 |
| 2 | 400 | 800 |

State four possible reasons why B demands more of commodity X at every price than A (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

10. Outline fou**r** ways in which a good business structure is of benefit to a business organization (4 marks) ……………………………………………………………………………………………………………… ……………………………………………………………………………………………………………… ……………………………………………………………………………………………………………… ……………………………………………………………………………………………………………...11. Outline four factors that determine the amount of money that an individual may hold in order to meet unexpected expenses (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

12. Give four reasons why the Kenya government has been organizing seminars and workshops for training youth in businesses (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

13. Mention four circumstances under which an entrepreneur may establish his/her business where other businesses already exist (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

14. Give four differences between a public limited company and a partnership. (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

15. Highlight four measures that a government may take to correct a balance of payment deficit in the county (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

16. Juma traders had the following information

Opening stock 40,000

Closing stock 55,000

purchases 200,000

Margin 25%

**Required**

1. Calculate Juma’s Rate of stock turn over. (3marks)
2. State the importance of having a low rate of stock turnover. (1mark)

……………………………………………………………………………………………………………………………………………………………………………………………………………………………………

17. Outline four ways in which the nature of a product influences the choice of distribution channel. (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

18. Mention four circumstances under which a retailer may return goods to a wholesaler. (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

19. **State four reasons** why billboards are popular in product promotions (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

20. The following balances were obtained from the books of sunset traders as at 30th June, 2004.

Stock 1st July 2003 45,000

Purchases 159,000

Sales 235,000

Stock 30/June/2014 33,000

Capital 75,000

Return outwards 3,000

Operating expenses 13,000

**Calculate:**

1. Stock turnover rate. (2 marks)
2. Return on capital. (2 marks)

21. State four ways in which legal political environment may improve business performance (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

22. Distinguish the following types of goods as used in production.

i) Producer goods and consumer goods. (2 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………

ii) Intermediate goods and finished goods. (2 marks)

……………………………………………………………………………………………………………………………………………………………………………………………………..……………………….

23. The following cashbook was prepared by Kajuka Traders for the month of July 2021.

**kajuka traders’**

**Cash book**

Dr Cr.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | lf | cash | Bank | Date | Details | LF | cash | Bank |
| **2021**  July 2  July 8  July 18  July 25 | Balance  Sales  Akinyi  Sales | b/d | **Y**  20,000 | 50,000  120,000  **170,000** | **2021**  July 4  July 13  July 21  July 27 | Balance  Purchases  Rent  Balance | b/f  c/d | 6,000  P  60,000 | 60,000  30,000  **Q**  R |

**Calculate** the missing figures. (4 marks)

(i) Y ………………………………………………………………………………………………………

(ii) P ………………………………………………………………………………………………………

(iii) Q ……………………………………………………………………………………………………..

(iv) R ………………………………………………………………………………………………………

24. Mention four benefits that may be enjoyed in a country that is experiencing over- population (4 marks)

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

25. Highlight four limitations posed by the use of national income statistics as a way of comparing the living standards of people for different countries. (4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….……………………