**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)

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

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

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4. The following balance sheet was incorrectly prepared

CHUMA Enterprises

 Balance sheet

 As at 31st October 2020

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

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

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

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

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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)

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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)

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

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

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

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

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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)

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

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

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

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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)

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

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

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

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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 8July 18July 25 | Balance Sales AkinyiSales  | b/d | **Y**20,000 | 50,000120,000**170,000** | **2021**July 4July 13July 21July 27 | Balance Purchases Rent Balance  | b/fc/d | 6,000P60,000 | 60,00030,000**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)

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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)

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