**SUNRISE ONE TERM 1 EXAMINATION 2023**

**Kenya Certificate of Secondary Education (K.C.S.E)**

**Name…………………………………………………………………Adm No….………… Class………**

**School ………………………………………………………………Candidates Signature………….**

**Date………………….**

**TERM 1 2023**   **Student Target**

**565 / 1**

**BUSINESS STUDIES PAPER ONE**

**Form 4**

**April 2023**

**Time: 2 Hours**

**INSTRUCTIONS TO CANDIDATES**

1. Answer all the questions in the spaces provided.

**For Examiner’s Use Only (100 Marks)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question No** | **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** |
|  |  |  |  |  |  |  |  |  |  |  |  |

**ACHIEVED**

1. Highlight four ways in which a well laid out business structure is likely to lead to the success of the business. (4mks)

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

1. List **four** characteristics of money . (4mks)

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

1. Give the following transactions, indicate the account to debit and the account to credit.

(4mks)

|  |  |  |
| --- | --- | --- |
| **TTransaction** | **AA/c to Dr** | **AA/c to Cr** |
| ii} Received damaged goods from a customer (Ukweli traders) |  |  |
| ii} Received an invoice from a wholesaler Upendo traders |  |  |
| iii} Issued a credit note to Pwani traders |  |  |
| iv} Received rent by cheque |  |  |

1. State four non- price competitions that firms in oligopoly market structures may engage in as an attempt to capture more customers and realize greater sales volume. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. List four errors which may make the trial balance fail to balance. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
3. The following information was extracted from the books of Juma stores on 31st march 2010

Sh

* Stock 1st april 2010 8000
* Stock 31st march 2011 9000
* Purchases 4500
* Sales 21000

Calculate

1. Margin (2mks)
2. Rate of stock turnover. (2mks)
3. State four factors that are likely to lead to a young population in a country. (4mks) …………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
4. Record the following transaction in the relevant ledger account. (4mks)
5. Kibet started business with sh.100, 000 in cash on 1st Jan 2008.
6. Bought motor van for sh.27, 500 cash on 2nd Jan 2008.
7. Fixtures bought on credit from shop flitters for sh.11, 500 on 3rd Jan 2008.
8. Paid amount owing in cash to shop flitters on 7th Jan 2008.
9. Watch the following types of advertising with its appropriate description in the table below.

Product advertising, informative advertising, institutional advertising, competitive advertising.

(4mks)

|  |  |  |
| --- | --- | --- |
|  | Description | Type |
| (a) | Treats awareness about a product. |  |
| (b) | Promotes the name of manufacturer. |  |
| (c) | Persuade the consumer to buy a product. |  |
| (d) | Promotes a particular brand of product. |  |

1. Calculate the net profit or loss made from the following details: (4mks)

Drawing during the year 20,000

Additional capital 120,000

Capital on 31.12.2010 300,000

Investment 80,000

1. Give **four** reasons why the government levy taxes. (4mks)

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

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

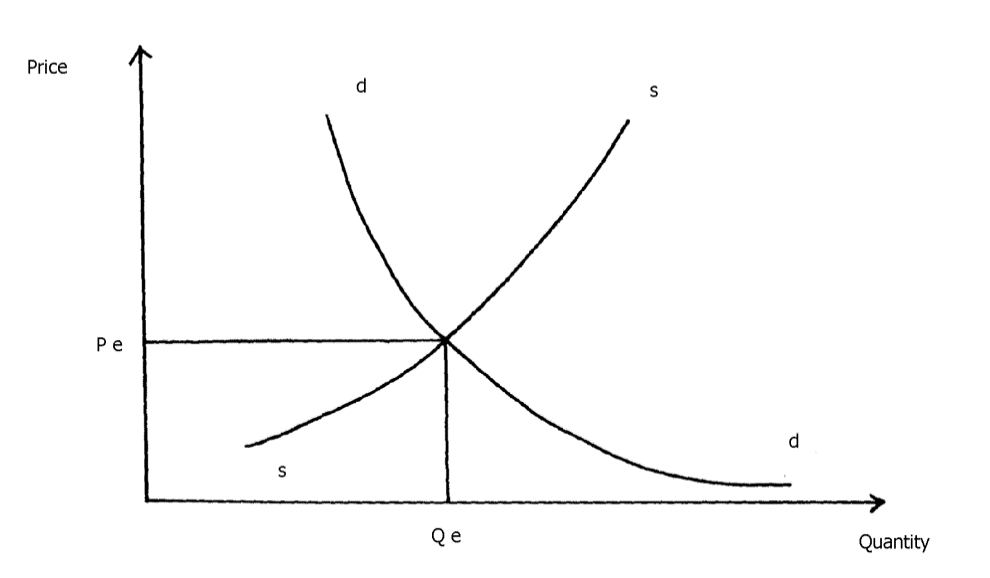
1. State **four** reasons why Railway transport is unpopular in Kenya when compared to road. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. For each of the following cases, name the motive for holding money. (4mks)

|  |  |
| --- | --- |
| **Case** | **Motive** |
| a) To meet daily transport expenses. |  |
| b) To meet any unforeseen circumstances. |  |
| c) To take advantage of anticipated future in price. |  |
| d) To pay for daily food requirement. |  |

1. Enumerate four reasons why an insured may not be compensated despite an insured risk occurring. (4mks)

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

1. The following diagram shows demands and supply curve of commodity.



State **four** things that will happen if the supply of the commodity is increased while demand remains constant. (4mks)

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

1. Highlight **four** ways in which the utility / usefulness of a product can be increased. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. Mention **four** ways in which the Kenyan government is creating an enabling environment to attract investments. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
3. Give four differences between an ordinary share and a preference share. (4mks)

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

1. Trimer limited has opened a factory in a rural shopping Centre called Massawa. Outline four ways in which the people living in the surrounding areas may benefit from the factory. (4mks)

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

1. For each of the following transaction of Kinyua traders, identify the source document and the journal in which the information is recorded. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Transaction** | **Source document** | **Journal** |
| (a) | He bought goods worth ksh.40,000 on credit from jitahidi |  |  |
| (b) | Kinyua returned some goods in jitahidi traders worth ksh. 2000 |  |  |
| (c) | Peter a customer bought goods worth ksh.5,000 on credit |  |  |
| (d) | Peter returned goods worth Ksh. 1000 to Kinyua traders |  |  |

1. State four roles of intermediaries in the chain of distribution. (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
2. Name four types of printed messages that may be sent through facsimile (4mks) …………………………………………………………………………………………………………….. ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
3. Highlight four benefits of national income statistics to a country (4mks) ………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
4. Outline four ways in which natural resource may be of benefit to a country. (4mks)

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

1. Outline four difficulties faced by human being in satisfying their wants. (4mks)

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