Name………………………………………………………… Adm no. ……….... Class…...........

Date …………………………………… Signature ……………………. Teacher …………………..

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

***Instructions***

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. Answer all questions in the spaces provided in the question paper.
4. Candidate should answer the questions in **English.**
5. Commerce is trade and aids to trade. List **four** aids to trade. (4 Mks)

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1. State **four** objectives of a business. (4 Mks)

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1. Resources are categorized broadly into economic and free resources. Identify any **four** free resources. (4 Mks)

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1. State **four** roles of an entrepreneur in production. (4 Mks)

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1. State **four** benefits of registering a company with the stock exchange market. (4 Mks)

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6. Highlight **four** ways in which consumers may protect themselves against exploitation by traders. (4 Mks)

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7.State **four** advantages of having a dry port or an inland container depot.(4 Mks)

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8. State **four** measures that the Kenyan government can take to solve unemployment problem. (4 Mks)

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9. Highlight four benefits that would accrue to a firm located near other existing firms. (4 Mks)

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10. The following information was extracted from the books of Turaga traders on 31st’Dec 2019.

Shs.

Turn over 608,000

Purchases 580,000

Opening stock 160,000

Closing stock 200,000

Prepare Turaga traders trading account. (4 Mks)

11. State **four** objectives of product promotion. (2 Mks)

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12. Highlight **four** benefits of globalization to a business enterprise. (4 Mks)

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13. State **four** problems experienced by a trader who stores goods in a public warehouse. (4 Mks)

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14. State **four** factors that determine the amount of money held for transaction motive. (4 Mks)

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15. Outline **four** factors that may cause the supply curve to shift to the left(4 Mks)

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16. Rahisi traders had the following information in its books of account on 1st’Jan 2019.

**Kshs.**

Machinery 500,000

Bank overdraft 38,000

Capital 620,000

Debtors 38,000

Cash in hand 100,000

Creditors 280,000

Stock 300,000

For the year ended 31st’2019, the following information was available;

i) Sold all the stock for Ksh. 330,000 and received the amount by cheque.

ii) Brought into the business cash from a private source Kshs.200,000.

Required;

Draw a balance sheet as at 31st’ Dec 2019. (4 Mks)

17. Outline **four** factors that affect the circular flow of income. (4 Mks)

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18. Outline **four** features of monopoly. (4 Mks)

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19. Given the following books of original entry, identify the source document used for each. (4 Mks)

|  |  |
| --- | --- |
| Book of 0rinal entry | Source document |
| 1. Purchases journal |  |
| 1. Cash book |  |
| (c) Sales return book |  |
| 1. Sales journal |  |

20. State **four** roles of the insurance industry in the Kenya’s entrepreneurial development. (4 Mks)

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21. State **four** levels of inflation. (4 Mks)

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22. State **four** benefits enjoyed by a trader who does not sell on credit. (4 Mks)

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23. Highlight **four** factors that may determine the amount of revenue to be collected through taxation. (4 Mks)

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24. Outline **four** factors that hinder economic integration. (4 Mks)

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25. State **four** benefits of preparing a development plan.

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