**KASSU JOINT EXAMINATION**

**Kenya Certificate of Secondary Education.**

**565/1 BUSINESS STUDIES Paper 1**

**January, 2021 – 2 hours**

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

**Candidate’s Signature**: ………………………………... **Date**: ………………………………………

**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.*
3. *Answer* ***all*** *the questions.*
4. *All answers must be written in the spaces provided in this booklet.*
5. *Do not remove any pages from this booklet.*
6. ***This paper consists of 9 printed pages.***
7. ***Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.***

**For Teacher’s Use Only**

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| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25**TOTAL****MARKS****M** |
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1. List **four** functions of the entrepreneur as a factor of production. (4 marks)

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1. State **four** circumstances under which the capital of a business may change. (4 marks)

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1. Outline **four** disadvantages of operating a partnership form of business. (4 marks)

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1. State **four** factors that can hasten the economic development of a country. (4 marks)

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1. State **four** services rendered by a wholesaler to a retailer. (4 marks)

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1. State **four** advantages of containerization as a mode of transport. (4 marks)

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1. Highlight **four** uses of journals in a business. (4 marks)

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1. Outline **four** functions of the office in an organization. (4 marks)

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1. In the spaces provided, indicate with a (**√**) whether each of the following transactions will increase, decrease or have no effect in the balance sheet totals. (4 marks)

|  |  |  |  |
| --- | --- | --- | --- |
| **Transaction** | **Increase** | **Decrease** | **No effect** |
| a). Buying stock on credit |  |  |  |
| b). Drawing cash from the business bank  account for personal use |  |  |  |
| c). Buying stock in cash |  |  |  |
| d). Paying a creditor by cheque. |  |  |  |

1. State **four** problems that may interfere with the effectiveness of face to face communication. (4 marks)

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1. State **four** sources of Government revenue for development expenditure. (4 marks)

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1. Highlight **four** ways in which a firm can improve the productivity of its human resource.

 (4 marks)

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1. State **four** reasons why some countries are reluctant in implementing free trade agreement. (4 marks)

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1. In which **four** ways are consumers benefiting from warehousing. (4 marks)

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1. Record the following transactions in ledger accounts. (4 marks)
2. Received Sh 12,000 cash in respect to rent paid by Mary, a tenant.
3. Purchased goods worth Sh. 120,000 on credit from Gilanis supermarket.

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1. Highlight **four** factors that have limited the use of credit cards in Kenya. (4 marks)

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1. State **four** specific duties performed by commercial attachee’s in foreign offices.

 (4 marks)

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1. The following information was extracted from the books of Mama mboga grocery.

Rate of stock turnover 3

Opening stock 180,000

Closing stock 200,000

Mark up 20%

Determine the Gross profit. (4 marks)

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1. State **four** reasons why new industries tend to be attracted to well- established towns.

 (4 marks)

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1. Highlight **four** factors that should be considered in choosing a method of distributing agricultural produce. ( 4 marks)

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1. The diagram below shows a shift in the supply curve from S0S0 to S1S1.

 Price

 S1

 S0

 S1

 S0

 Quantity

Identify **four** factors that could have made the supply curve to shift from S0S0 to S1S1.

 (4 marks)

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1. Outline **four** ways in which the insurance industry contributes to the development of Kenya’s economy. (4 marks)

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1. Highlight **four** functions of the Central bank of Kenya. (4 marks)

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1. Outline **four** negative effects of an ageing population to an economy. (4 marks)

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1. Prepare a trial balance from the following balances extracted from the books of Soi Traders on 31st December, 2020. (4 marks)

Sh.

 Capital 947,470

 Cash 74,000

 Premises 870,000

 Debtors 36,520

 Creditors 45,300

Stock 12,250

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