

THE KENYA NATIONAL EXAMINATIONS COUNCIL
Kenya Certificate of Secondary Education



565/1

BUSINESS STUDIES

Paper 1

Nov. 2023 - 2 hours

Serial No.
26789381

Name: **Index Number:**

Candidate's signature: **Date:**

Instructions to Candidates

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of examination in the spaces provided above.
- (c) Answer **all** the questions in the spaces provided in the question paper.
- (d) Non-programmable silent electronic calculators may be used.
- (e) **This paper consists of 11 printed pages.**
- (f) **Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**
- (g) **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
Marks													

Question	14	15	16	17	18	19	20	21	22	23	24	25	
Marks													

TOTAL MARKS	
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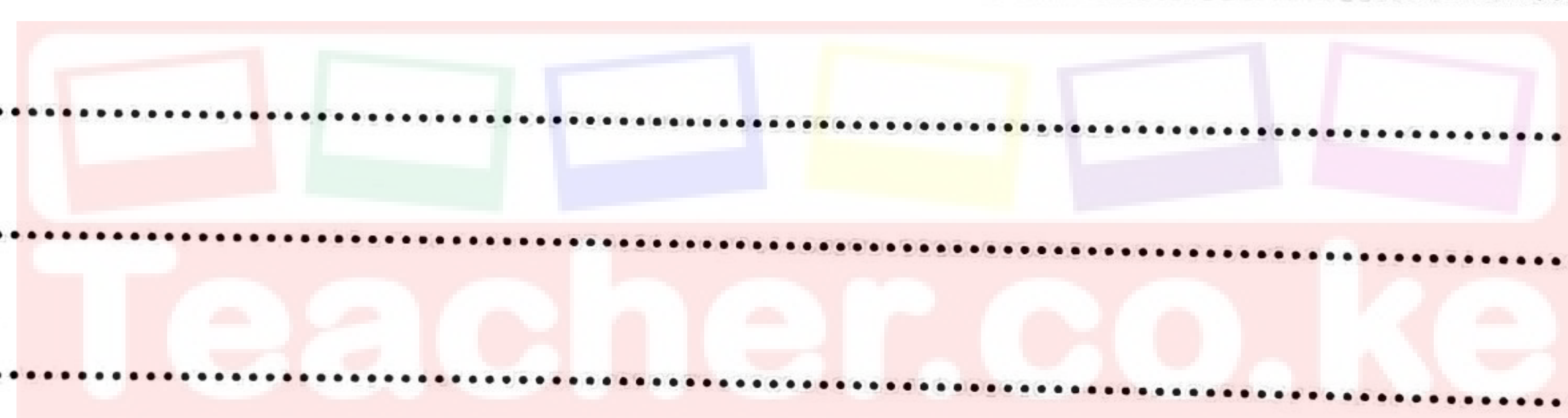


1 Highlight **four** benefits of continual road construction in Kenya. (4 marks)

- (a)
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- (b)
-
- (c)
-
- (d)
-

2 List **four** office equipment used in finance department. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



3 State **four** factors that may lead to increased demand for a product. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

4 State **four** features that enable a warehouse to function effectively. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



5 Outline **four** circumstances under which a company would use personal selling to market its product. (4 marks)

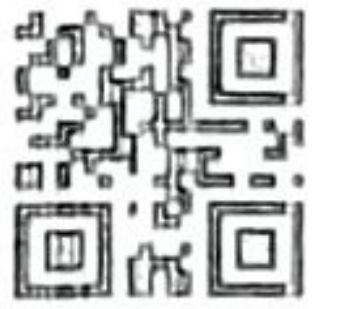
- (a)
-
- (b)
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- (c)
-
- (d)
-

6 Highlight **four** advantages of using M-banking. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

7 The following information was obtained from Mogadishu Traders for the year ended 31st December 2022.

Details	KShs.
Opening stock	40,000
Purchases	400,000
Gross profit	100,000



Goods were sold at a mark-up of 25%.

Required: Calculate

(a) sales for the year. (2 marks)

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(b) rate of stock turnover. (2 marks)

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8 Outline **four** circumstances under which a country may control imports. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

9 Highlight **four** limitations of radio calls as a means of communication. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



10 State **four** circumstances that may lead to the dissolution of a company. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



11 Highlight three differences between movement along the demand curve and a shift of the demand curve. (3 marks)

- (a)
-
- (b)
-
- (c)
-

12 The following information was obtained from the books of John Enterprises on 31/12/2022.

Purchases	KShs. 110,000
Stock 1/1/2022	KShs. 50,000
Purchases returns	KShs. 8,000
Stock 31/12/2022	KShs. 32,000
Sales Returns	KShs. 5,000
Mark-up %	25%

Required: Prepare John Enterprises Trading Account for the period ending 31st December, 2022. (5 marks)

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13 State **four** characteristics of a monopoly. (4 marks)



- (a)
-
- (b)
-
- (c)
-
- (d)
-

14 Explain the meaning of the following concepts as used in business: (3 marks)

- (a) Scarcity.....
-
- (b) Choice
-
- (c) Opportunity cost.....
-

15 Highlight **four** reasons that may lead to privatization of government owned firms. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



16 Name the business document to which each of the following statements relate: (5 marks)

No	Statement	Document
(a)	It shows details of transactions between seller and buyer.	
(b)	It is used to correct undercharge in an invoice.	
(c)	It informs the buyer when the goods were dispatched.	
(d)	A request by seller for payment in advance.	
(e)	It is issued by the seller to a buyer for cash payments.	

17 Outline how each of the following types of utility are created in production: (4 marks)

- (a) Place utility.....
.....
- (b) Form utility.....
.....
- (c) Possession utility.....
.....
- (d) Time utility.....
.....

18 State four factors that may influence the level of National Income. (4 marks)

- (a)
.....
- (b)
.....
- (c)
.....
- (d)
.....

19 Highlight four demerits of external borrowing. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

20 State three uses of a letter of inquiry. (3 marks)

- (a)
-
- (b)
-
- (c)
-

21 Highlight four reasons that may make a company prepare a business plan. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-





22 Outline **four** methods used by the government to protect consumers from exploitation. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

23 The following transactions relate to Kamili Traders for the month of December 2022.

December 2022	
2 nd	Cash sales KShs. 30,000
8 th	Banked KShs. 15,000
10 th	Withdrew KShs. 10,000 from the bank for office use.
13 th	Paid wages in cash KShs. 6,000

Prepare a double column cash book.

(5 marks)

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24 State **four** factors to consider when choosing the location of a business. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

25 Outline **four** benefits that a country may derive from delocalization of firms. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

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