

KAPSABET HIGH SCHOOL



565/1

BUSINESS STUDIES

Form 4

Time: 2 Hours



2021 TRIAL 3 OCT/NOVEMBER INTERNAL EXAMINATION

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

Name.....

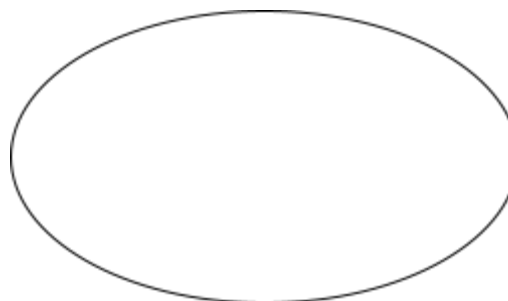
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GRAND TOTAL



565/1

BUSINESS STUDIES

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KAPSABET BOYS HIGH SCHOOL

INSTRUCTIONS TO CANDIDATES

Answer all the questions in the spaces provided.

For Examiner's Use Only

Question No	1	2	3	4	5	6	7	8	9	10	11	12	13
Marks													
Question No	14	15	16	17	18	19	20	21	22	23	24	25	
Marks													

1. Onazi Secondary School will wish to change from an enclosed office to an open office.

Highlight **four** advantages that will accrue from this. (4mks)

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2. Motor cycles have recently become a very popular mode of transport in Kenya. List **four** benefits a commuters enjoy by using them. (4mks)

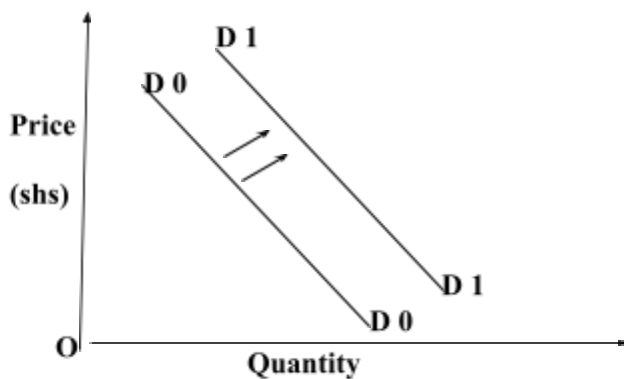
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3. Outline **four** factors that may make it necessary for insurance company to reinsure.

(4mks)

4. The following diagram shows a shift in demand curve. Outline **four** reasons that can lead to this shift.



(4mks)

5. Kenya has a few oligopoly firms. Highlight **four** sources of oligopoly powers to these firms.

(4mks)

6. Highlight **four** ways in which capital of a business may change

(4mks)

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7. For each of the following transactions, indicate with tick (✓) in the spaces provided whether it will increase, decrease or have no effect on the balance sheet totals. (4mks)

Transaction	Increase	Decrease	No effect
a) Investing more cash in business			
b) Paying creditors in cash			
c) Buying a piece of furniture in cash			
d) Paying a creditor using money from private source			

8. Below are some entries in the cash book of Romeo Traders for the month of July 2021.

Cash Book

Dr

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Date(2021)	Details	Cash (shs)	Bank(shs)	Date (2021)	Details	Cash (Shs)	Bank (Shs)
July: 1	Bal b/f	15,000		July: 1	Bal.b/f		100,000
6	cash		20,000	6	bank	20,000	
20	sales		15,000	15	wages	5,000	
28	Debtors	20,000		29	stock		10,000
				31	Bal c/f	19,000	

State the meaning of the following entries. (4mks)

a) July 1, bal b/f bank column shs.100,000

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b) July 6, cash shs. 20,000 and Bank shs. 20,000

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c) July, 28 debtors shs. 20,000

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d) July 31 2010, balance c/f shs. 10,000

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9. Highlight **four** roles of an entrepreneur to the economy of a country. (4mks)

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10. Identify the source documents used to enter the following journals. (4mks)

Journal	Source document
(i)Purchase journal	(i)
(ii>Returns outwards journal	(ii)
(iii) Sales journal	(iii)
(iv)Cash receipt journal	(iv)

11. State **four** ways in which consumers are likely to suffer when there is no warehousing.

(4mks)

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12. Highlight **four** disadvantages of concentrating many firms in Nairobi town. (4mks)

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13. Oscar imports goods from South Africa to Kenya. State **four** conditions that would determine the choice of his distribution channel (4mks)

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14. State **four** ways in which Kenya as a country can conserve her economic resources. (4mks)

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15. Outline **four** ways in which the legal political environment can influence the activities of a business. (4mks)

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16. For each of the following descriptions, identify the corresponding method of product promotion. (4mks)

DESCRIPTION	METHOD OF PROMOTION
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Free promotion of a product	
Strategies to increase sales at the point of promotion.	
Impersonal presentation of a product through the mass media	
Ment to improve the reputation of a firm	

17. Outline **four** factors that influence the amount of money held by an individual for precautionary motive. (4mks)

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18. The following balances relates to the business of Super loaf traders during the period ended 30th June 2021.

	Shs.
Rent received	12,000
Salaries and wages	48,000
Gross profit	120,000
Discounts received	7,500
Insurance	12,500
Carriage on sales	15,000
Discounts allowed	6,000

Prepare the business's Profit & loss a/c for the period ended 30th June 2021.

19. The following transaction was extracted from books of Kuria business on 31st March 2004.

Stock (01/04/05)	8,000
Stock (31/03/06)	9,000
Purchases	4,500
Sales	21,000
Calculate:	

- (i) Margin (2mks)
- (ii) Rate of stock turn over. (2mks)

20. Highlight **four** factors that must be considered before spending public funds. (4mks)

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21. Outline **four** circumstances under which a firm may be located near the source of its raw materials. (4mks)

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22. Highlight **four** circumstances under which face – to face communication would be preferred to written communication in a firm. (4mks)

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23. State **four** ways how consumers can protect themselves against malpractices by private business people. (4mks)

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24. Highlight **four** problems associated with the measurement of national income using the output approach. (4mks)

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25. The aggressive campaign for citizens to plan their families seems to be causing a decline in the country's population growth. Outline four possible effects of this. (4mks)

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