NAME:	INDEX
NO.:	
	ADM.
	NO
	CLASS:

### **KASSU JOINT EXAMINATION**

565/1

#### **BUSINESS STUDIES**

PAPER 1

TIME: 2 HRS

#### **PAPER 1 2021**

# Time 2hours

# **Instructions**

- 1. Write your name, index number, school and signature in the spaces given above.
- 2. Sign and write the data of the examination in the spaces provided above
- 3. Answer all the questions. (25 questions)
- 4. All answers should be written in the space provided below each question.
- 5. Candidates should check the question paper to ascertain that all the questions are printed.
- 6. All questions should be answered in English.

### For official use only.

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

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

	тот	AL									
Situma in house was Calculate as compe	s destro the amo	yed by ount of	an info	erno ai y that S	nd he s	ustaine	ed loss	es woi	th sh.	600,00	00.
Outline <b>fo</b>	o <b>ur</b> impo	ortance	e of a E	Sonded	wareh	ouse to	o the g	overni	nent.		(4 marl
		· · · · · · · · · · · · · · · · · · ·									
(b)		·····									
(c)											

	(d)	
3.	Outline <b>fou</b> r reasons why Business Studies should be offered as a discipline secondary schools.	in <b>(4 marks)</b>
	(a)	
	(b)	
		•••••
		• • • • • • • • • • • • • • • • • • • •
	(c)	

(d)	
State <i>four</i> sources of monopoly power.	(4 mar
(a)	
(b)	
(c)	

	(d)		
5.	The following information	n relates of Jabez Enterprises fo <b>Shs.</b>	or the year ended 31.12.2014.
	Capital 31/12/2014 Net loss for the year Capital as at 1/1/2014 Drawings for the year	248,000 61,000 89,000 57,000	
	<b>Required:</b> Calculate the additional c	apital during the year.	(4 marks)
6.		following transactions below (tal. Use (+) for increase, ( – ) fo	

	Transaction	Assets	Liabilities	Capital
(a)	Opened a Bank A/C and deposited cash			
(b)	Proprietor invested cash into the business			
(c)	Owner received a cheque from a debtor			
(d)	Took a Bank loan to pay creditors			

7.	Okhia metho	Outline four (4 marks)	
	(a)		
	(b)		
	(c)		
	(d)		
8.		n the following documents used in international trade.	(4 marks)
	(a)	Foreign Exchange Allocation License (F.E.A.L)	
	(b)	Letter of credit	

	(c)	Certificate of origin
	(d)	Bill of lading
		benefits associated with the construction of the Standard Gauge Railway (SGR) to the
Kenya	an econ	omy (4 marks)
	(a)	
	(b)	
	(c)	

	(d)
	······································
10.By	use of a well labeled diagram, illustrate the kinked demand curve in an Oligopolistic market
situat	on (4 marks)

11. Navakholo enterprises had the following ledger account balances as at 31st December, 2020.

	shs.
Purchases	3,880
Sales	3,350
Purchases returns	150
Sales returns	160
Debtors	2,550
Bank overdraft	3,100
Wages	800
Cash	960
Capital	1,750

**Required**: Prepare Navakholo enterprises' Trial Balance as at 31<sup>st</sup> December, 2020.. **(4 marks)** 

12. Given the following books of original entry, identify the source documents used for each.

(4 marks)

	(Tillulius)
Book of original entry	Source document
(a) Purchases journal	
(b) Cash book	
(c) Sales return book	

(d) Sales journal		
13. Give four non - tax sources	of revenue to the government.	(4 marks)
(a)		
(b)		
(c)		
(C)		
(d)		
14. State four characteristics of	good money.	(4 marks)

(a)	
(b)	
(c)	
(d)	
rate four characteristics of labour as a factor of production	(4 marks)
(a)	

	(b)	
	(c)	
	(d)	
16. De	efine the following terms (4 r	marks)
a.	Scarcity	
b.	Choice	

d.	Opportunity cost	
17. Higł	nlight four circumstances under which personal selling is appropriate	(4 marks
(	(a)	
	(b)	
. (	(c)	

Scale of preference

c.

(d)	
ıtline	four personal attributes of an office staff. (4 marks)
(a)	
(b)	
נט)	
••••	
	······································
(c)	

	(d)
I	Highlight <b>four</b> benefits of using mobile money transfer services as a means of payment.
	(4 marks
	(a)
	(b)
	(c)

(d)	
ate <b>four</b> barriers to effective communication in an organizational meeting.	(4 marl
(a)	
	• • • • • • • • • • • • • • • • • • • •
(b)	
(c)	
······································	

	ne four measures that consumers may adopt to protect themselves from unscrupulous practices. (4 mag)
	······································
(b)	
(c)	
(d)	

te <b>four</b> ways in which businesses may maintain a healthy business environment.	(4 m
(a)	
(b)	
(b)	
(c)	
(d)	
(d)	

customers in the U. S.A	nat M-Zuri a flower firm in Nakuru may use t 	(4 marks)
(a)		
······································		
(b)		
(c)		
(d)		
24.The following inform 31/12/2020	nation was extracted from the books of Kapta	gat traders for the year ended
Sales	Shs 4,800,000	

Opening stock	800,000
Closing stock	1,200,000

Gross profit margin is calculated at 25%

**Required**: Prepare a trading account for the period end 31/12/2020. (4 marks)

25. The table below shows the price of petrol per litre for various years.

Year	Pump pric
2017	98
2018	102
2019	112
2020	120
2021	127

Calculate the consumer price index using year 2017 as the base year.

(4 marks)

Year	Price	CPI
2017	86	
2018	92	
2019	108	
2020	120	
2021	127	