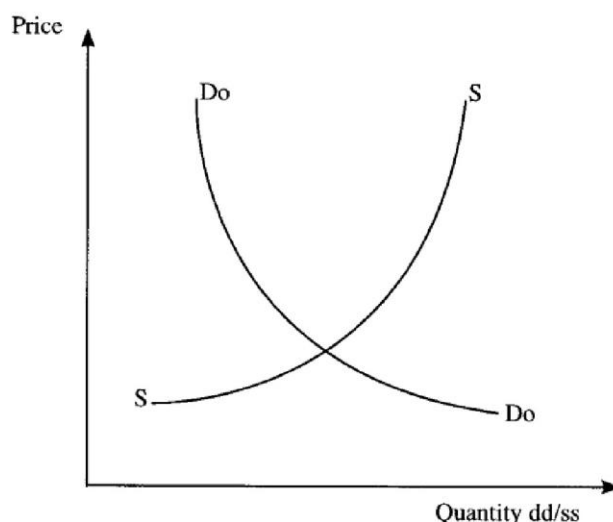


### 3.29 BUSINESS STUDIES (565)

#### 3.29.1 Business Studies Paper 1 (565/1)

- 1 What are the reasons that would make an individual engage in business? (4 marks)
- 2 List **four** types of utility and the production activity associated with each of them. (4 marks)
- 3 Outline **four** ways in which the office facilitates effective handling of documents. (4 marks)
- 4 Highlight **four** factors that may influence a consumer to purchase products from a kiosk rather than a supermarket. (4 marks)
- 5 State **four** circumstances under which hire purchase may be used to acquire goods. (4 marks)
- 6 Give **four** reasons for the increased use of mobile phones in banking. (4 marks)
- 7 Outline **four** methods that the Government of Kenya uses to regulate business activities. (4 marks)
- 8 State **four** disadvantages of using internet as a means of communication. (4 marks)
- 9 State **four** differences between life assurance and general insurance. (4 marks)
- 10 Give **four** reasons for observing ethical practices in product promotion. (4 marks)
- 11 The graph given below represents the demand and supply curves of milk:



- State **four** effects of a shift of the demand curve to the right. (4 marks)
- 12 Outline **four** disadvantages that a manufacturer would suffer if wholesalers were eliminated from the chain of distribution. (4 marks)

- 13 The following balance sheet was incorrectly prepared:

**PEMBE TATU TRADERS  
BALANCE SHEET  
FOR THE YEAR ENDED 31.12.12**

	Ksh		Ksh
Stock	5,000	Furniture	50,000
Bank overdraft	5,000	Debtors	7,000
Cash	<u>9,000</u>	Capital	<u>66,000</u>
	<u>19,000</u>		<u>123,000</u>

Prepare a corrected balance sheet.

(4 marks)

- 14 The following figures relate to Jumbo Traders for the year ended 31.12.13.

<u>Details</u>	<u>Ksh</u>
Capital (31.12.13)	940,000
Net loss	20,000
Additional investment	420,000
Monthly drawings	5,000

Determine the capital as at 1.01.13.

(4 marks)

- 15 Identify the ledgers in which the following accounts are maintained.

(5 marks)

	ACCOUNT	LEDGER
(i)	Pendo (Debtor)	
(ii)	Machinery	
(iii)	Rent	
(iv)	Capital	
(v)	Juma (Creditor)	

- 16 List **three** levels of inflation.

(3 marks)

17 Name the documents described by the statements given below as used in International Trade: (4 marks)

- (a) Requests for payment before goods are delivered.....
- (b) Shows ownership or title of goods imported.....
- (c) Shows the country of manufacture of goods.....
- (d) Shows the transportation charges for goods.....

18 The following Purchases Returns Journal relates to Farasi Traders:

PURCHASES RETURNS JOURNAL				
DATE	DETAILS	CREDIT NOTE NO.	FOLIO	AMOUNT
2012				
MARCH				KSH
1	Junior	R22	PL1	2,000
3	Mimi Supplies	100	PL 2	4,000
4	Kilimanjaro	30	PL 5	5,000
			GL 4	<u>11,000</u>

Post the information above to the relevant ledger accounts. (4 marks)

19 Outline **four** goals of development to a country. (4 marks)

20 The following information relates to Kahawa Traders as at 31<sup>st</sup> December 2012.

Stock            1.1.12            Ksh    80,000  
 Stock            31.12.12          Ksh    120,000  
 Purchases                            Ksh 1,000,000  
 Margin                                20%

Required:

Prepare a trading account. (5 marks)

21 State **four** reasons that make it necessary for firms to maintain a healthy environment. (4 marks)

22 Highlight **four** benefits of a business plan to an entrepreneur. (4 marks)

23 Outline **four** benefits of sea transport over air transport. (4 marks)

24 In which ways can an investor benefit from the stock exchange? (4 marks)

25 State **three** clauses found in the Memorandum of Association. (3 marks)