NAME…………………………………………INDEX NO………………………….

565/1
BUSINESS STUDIES
PAPER 1
SEPT/OCT 2021

AMUKURA CATHOLIC PARISH JOINT EXAM

Kenya Certificate of Secondary Education

BUSINESS STUDIES
PAPER 1
SEPT/OCT 2021
TIME: 2HOURS

INSTRUCTIONS:

  i.   Answer all questions

 ii.   Write the answers in the spaces provided

iii.   Answers should be written in English

For official 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	TOTAL
Marks													

1. State four advantages of a partitioned office layout to the office staff.
   (4mks)

   i. …………………………………………………………………………………

   …………………………………………………………………………

   ii. …………………………………………………………………………………

   …………………………………………………………………………………

   iii. …………………………………………………………………………………

   …………………………………………………………………………………

   iv. …………………………………………………………………………………

   …………………………………………………………………………………

2. For each of the farm resources given below, identify the appropriate factor
   reward   (4mks)

RESOURCE	FACTOR REWARD
i. Farm yard	………………………..
ii. Farm guards	………………………..
iii. Farm owner	…………………………
iv. Livestock	…………………………

3. List the principle of insurance that was violated in each of the following instances given below
(4mks)

	INSTANCE	PRINCIPLE
i.	A car owner was paid ksh. 400,000 when his car worth ksh. 390,000 was stolen	…………………………..
ii.	Okado insured his neighbors retail shop against robbery	…………………………..
iii.	A school was compensated when its bus got burnt by rioting students yet it had been insured against a road accident	…………………………..
iv.	A hotel owner took away remains of items destroyed by fire being fully paid for the damages	…………………………..

4. Give four reasons why business firms participate in conserving the environment (4mks)

I. ………………………………………………………………………………
………………………………………………………………………………

II. ………………………………………………………………………………
………………………………………………………………………………

III. ………………………………………………………………………………
………………………………………………………………………………

IV. ………………………………………………………………………………
………………………………………………………………………………

5. State four measures that a county government may take to improve the quality of its services to the residents of the county   (4mks)

    i.   ………………………………………………………………………………

    ………………………………………………………………………………

    ii.   ………………………………………………………………………………

    ………………………………………………………………………………

   iii. ………………………………………………………………………………

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    iv. ………………………………………………………………………………

    ………………………………………………………………………………

6. Outline four reasons that make human wants difficult to satisfy (4mks)

    i.   ………………………………………………………………………………

    ………………………………………………………………………………

    ii.   ………………………………………………………………………………

    ………………………………………………………………………………

   iii. ………………………………………………………………………………

    ………………………………………………………………………………

    iv. ………………………………………………………………………………

    ………………………………………………………………………………

7. Give four types of small scale retail businesses that can operated without shops. (4mks)

   i. ……………………………………………………………………………………
      ……………………………………………………………………………………

   ii. ……………………………………………………………………………………
       ……………………………………………………………………………………

   iii. ……………………………………………………………………………………
        ……………………………………………………………………………………

   iv. ……………………………………………………………………………………
       ……………………………………………………………………………………

8. The information below was extracted from the books of Khadudu Hardware's for the year 2019

	Ksh.
Capital (31/12/2019)	980,000
Investment	300,000
Monthly drawings	10,000
Capital (01/01/2019)	600,000

   Required; determine the net profit for the year
   (3mks)

9. The diagram below shows the circular flow of income in a two sector economy

A

X   finished products   factors   Y
                                         of production

B

a. Name the economic agent marked A and B
   i.   A …………………………………
   ii. B………………………………….   (2mks)

b. Identify the expenditure represented by the arrows X and Y

   i.   X……………………………………………
   ii. Y…………………………………………….   (2mks)

10. Highlight four advantages of a private warehouse to a manufacture (4mks)

   i.   …………………………………………………………………………
        …………………………………………………………………………
   ii. …………………………………………………………………………
        …………………………………………………………………………
   iii. …………………………………………………………………………

……………………………………………………………………..

iv. …………………………………………………………………

……………………………………………………………………

11. Give four disadvantages of using mobile phones for communication in an organization   (4mks)

i. …………………………………………………………………

…………………………………………………………………

ii. …………………………………………………………………

…………………………………………………………………

iii. …………………………………………………………………

…………………………………………………………………

iv. …………………………………………………………………

………………………………………………………………

12. Outline three differences between monopoly and oligopoly as product markets.   (3mks)

MONOPOLY	OLIGOPOLY
i.	
ii.	
iii.	

13. State four measures that the Central Bank can take to reduce inflation in the country (4mks)

    i. ………………………………………………………………………………
………………………………………………………………………………

    ii. ………………………………………………………………………………
………………………………………………………………………………

    iii. ………………………………………………………………………………
………………………………………………………………………………

    iv. ………………………………………………………………………………
………………………………………………………………………………

14. Give four reasons why governments impose taxes on incomes (4mks)

    i. ………………………………………………………………………………
………………………………………………………………………………

    ii. ………………………………………………………………………………
………………………………………………………………………………

    iii. ………………………………………………………………………………
………………………………………………………………………………

    iv. ………………………………………………………………………………
………………………………………………………………………………

15. The diagram below shows a change in the supply of a farm products in a market

Price (ksh.)   S2

                          S1

     S2

       S1

         Quantity (kgs)

Outline four circumstances under which the supply curve would shift from S_1S_1 to S_2S_2 (4mks)

   i.   ……………………………………………………………………………………
         ……………………………………………………………………………………
   ii.   ……………………………………………………………………………………
         ……………………………………………………………………………………
   iii. ……………………………………………………………………………………
         ……………………………………………………………………………………
   iv.   ……………………………………………………………………………………
         ……………………………………………………………………………………

16. For each of the business transactions given below name the ledger account to be debited and to be credited (4mks)

TRANSACTION		DR.	CR.
i.	Proprietor took goods worth Ksh. 2000 for family use		
ii.	Goods valued at Ksh. 4500 were sold on credit		
iii.	A cheque of Ksh. 8000 was issued by the business in payment of rent		
iv.	The business withdrew Ksh. 15,000 from the bank account for office use		

17. State FOUR disadvantages of pipeline transport (4mks)

i. …………………………………………………………………………
…………………………………………………………………………
ii. …………………………………………………………………………
…………………………………………………………………………
iii. …………………………………………………………………………
…………………………………………………………………………
iv. …………………………………………………………………………
…………………………………………………………………………

18. The information below relates to Musoma Bookshop for the year ended 30.09.2020

Sales	Ksh. 1,500,000
Opening stock	Ksh. 250,000
Purchases	Ksh. 1,300,000
Mark up	25%

Determine:

   i.   Gross profit   (2mks)

   ii.   Cost of sales   (2mks)

19. Mrs. Obote sells a variety of fruits, vegetables and cereals in a market stall located in an urban market. Identify four methods that she may use to increase her volume of sales

(4mks)

   i.   ………………………………………………………………………………

     ………………………………………………………………………………

   ii.   ………………………………………………………………………………

     ………………………………………………………………………………

  iii.   ………………………………………………………………………………

     ………………………………………………………………………………

   iv.   ………………………………………………………………………………

     ………………………………………………………………………………

20. List the type of unemployment that suits each of the descriptions below

(4mks)

Description	Type of unemployment
i. A large number of laborers crowded on a small piece of work.	
ii. School leavers without information on where to get a job.	
iii. Many people kept out of employment because of physical disabilities.	
iv. A female job seeker opting to get married instead of being idle.	

21. Highlight four population characteristics of a country that is economically underdeveloped (4mks)

   i. ……………………………………………………………………………
      ……………………………………………………………………………
   ii. ……………………………………………………………………………
      ……………………………………………………………………………
   iii. ……………………………………………………………………………
      ……………………………………………………………………………
   iv. ……………………………………………………………………………
      ……………………………………………………………………………

22. Give four reasons why some producer firms carry out production close to the product market (4mks)

   i. ……………………………………………………………………………
      ……………………………………………………………………………
   ii. ……………………………………………………………………………
      ……………………………………………………………………………
   iii. ……………………………………………………………………………
      ……………………………………………………………………………
   iv. ……………………………………………………………………………
      ……………………………………………………………………………

23. Outline four circumstances under which a manufacturer would not require the services of middlemen (4mks)

   i.
      ………………………………………………………………………………
      ………………………………………………………………………………
   ii.
      ………………………………………………………………………………
      ……………………………………………………………………………….
   iii.
      ………………………………………………………………………………
      ………………………………………………………………………………
   iv.
      ………………………………………………………………………………
      …………………………………………………………………………

24. List four ways used to classify partners in a business (4mks)

   i.
      ………………………………………………………………………
      ………………………………………………………………………
   ii.
      ………………………………………………………………………
      ………………………………………………………………………
   iii.
      ………………………………………………………………………
      ………………………………………………………………………
   iv.
      ………………………………………………………………………
      ………………………………………………………………………

25. The two column cash book below is incomplete

Date	Details	F	Cash (Ksh.)	Bank (ksh.)		Date	Details	F	Cash (ksh)	Bank (ksh)
2020			350,000	150,000		2020				T
Jan1	Capital		Q			Jan3	Rent			
10	Sales					4	Purchases		200,00	
18	Cash	C1		250,000		18	Bank	C1	P	
28	Debtors		70,000			25	Electricity			15,000
						31	balance	c/d	R	345,000
			600,000	400,000						
									600,000	S

Determine the missing values represented by letters P, Q, R, S and T

i)   P…………………………………………………………….

ii)   Q…………………………………………………………….

iii)   R…………………………………………………………….

iv)   S…………………………………………………………….

v)   T…………………………………………………………….