**Name: ………………………………………………… Index no ……..…...................................**

**School: ……………………………………………....…. Candidate’s sign ……………………....**

**Date: ……………………………………………………………**

**565/1**

**BUSINESS STUDIES**

**PAPER 1**

**TIME: 2 ½ HOURS**

PAVEMENT FORM 4 TRIAL 2 EXAMINATION 2021/2022

Kenya certificate of secondary education (K.C.S.E)

**Business Studies**

**Paper 1**

**INSTRUCTIONS TO CANDIDATES:**

* *Write* ***your name*** *and* ***Index Number*** *in the spaces provided.*
* *Answer* ***all*** *the questions*
* *All answers* ***must*** *be written in the spaces provided in this booklet.*

***For Examiner’s Use Only***

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| QUESTION | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| MARKS |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| QUESTION | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| MARKS |  |  |  |  |  |  |  |  |  |  |  |

**TOTAL MARKS**

*This paper consists of* ***8*** *printed pages. Candidates should check to ascertain that all papers are printed as indicated and that no questions are missing*

1. In a partnership business, partners are classified in to four categories, name these four categories **(4marks)**

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1. Land transport is a common mode of transport in Kenya. List down any four means of transport under land transport **(4marks)**

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1. Highlight any **four** diseconomies of scales that a firm experiences as a result of growth of the entire industry. **(4marks)**

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1. The diagram below illustrates the concept of optimum population

Q

O P Population

From the above diagram, highlight what optimum population depicts **(4marks)**

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1. Study the following balance sheet of Kiboko traders which has been wrongly drawn and prepare a correct on **(5marks)**

**Kiboko Traders**

**Balance sheets**

**As at 31st December 2004**

|  |  |  |  |
| --- | --- | --- | --- |
| **Assets** | **Shs** | **Liabilities** | **Shs** |
| Stock | 80,000 | Bank overdraft | 80,000 |
| Creditors | 50,000 | Debtors | 35,000 |
| Long term loan | 65,000 | Land | 120,000 |
| Capital | 130,000 | Furniture | 75,000 |
|  | **325,000** | Cash | 15,000 |
|  |  |  | **325,000** |

1. List down **four** causes of demand pull inflation **(4marks)**

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1. Give the full names of the following terms of sale used in international trade **(3marks)**
2. F.O.R
3. DD
4. C.I.F
5. Highlight **four** features of economic union as a form of economic integration **(4marks)**

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1. Give **four** indictors of economic development **(4marks)**

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1. Highlight **four** characteristics of assets **(4marks)**

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1. State **five** circumstances when downwards communication can be used **(5marks)**

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1. Indicate whether the following items are falling in real, nominal or private accounts **(3marks)**

*Account*

1. *Sales*
2. *Carriage inwards*
3. *Fixtures and fittings*
4. *Stock*
5. *Cash*
6. *Capital*
7. State the type of document described below **(4 marks)**

Type of document

1. Show from which country goods are coming from …………………………………………..
2. Written by an exporter authorizing his bank to sell goods on his belief …………………………
3. Allow importer to get goods on credit and cannot be changed the importer without exporters permission ……………………………………….
4. Document shows that prices charged on the goods are fair as certified by the importing country’s officials …………………………………………………………………………….
5. State whether the following transactions will have an increase, decrease or no effect on the balance sheet total **( 4marks)**

|  |  |
| --- | --- |
| Transaction | Effect |
| Withdrew stock for personal use |  |
| Paid a creditor by cheque |  |
| A debtor paid by cheque |  |
| Bought furniture on credit |  |

1. Highlight **four** methods that can be used by the government to control imported inflation **(4marks)**

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1. State any **four** unethical practices in product promotion **(4marks)**

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1. Highlight factors that have contributed to the growth of self-employment in Kenya **(4marks)**

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1. Highlight any **four** advantages of shopping malls to consumers **(4marks)**

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1. In relation to transport in Kenya, write the full names of the following terms **(4marks)**
2. NTSA
3. LAPSSET
4. ICD
5. SGR
6. State **five** essential elements of effective communication **(5marks)**

……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. List down **four** main types of warehouses **(4marks)**

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1. Highlight **four** factors that may necessitate re-insurance **(4marks)**

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1. Other than price mechanism, name four methods of determining the price of a product. **(4marks)**

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1. List down any **four** means of payment available in home trade **(4marks)**

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1. Name any **four** transactions that are passed through the general journal **(4marks)**

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