

Name:.....AdmNo:.....Stream:.....

Candidate's Signature:..... Date:.....

Index no:.....

565/1
BUSINESS STUDIES
PAPER1
DECEMBER - 2021
Time: 2 Hours

SAMIA JOINT EXAMINATION

Kenya Certificate of Secondary Education

INSTRUCTIONS TO CANDIDATE:

- Write your **name**, **AdmNo**, and **Stream** in the spaces provided.
- Answer all questions
- All answers must be written in the spaces provided.
- All questions carry equal marks
- Candidate should check the questions paper to ascertain that all pages are printed as indicated and no of questions missing.
- This paper consist of 7 printed pages

For Examiner's Use Only

Questions	1	2	3	4	6	7	8	9	10	11	12	13	14
Marks													

Questions	15	16	17	18	19	20	21	22	23	24	25
Marks											

TOTAL MARKS

1. Mr. Odhiambo has started a Kiosk in Nambale Town. Outline **FOUR** functions that he will perform

as the owner of the business.

(4mks)

a)

b)

c)

d)

2. Indicate the type of journal in which each of the following transactions could be recorded.

(4mks)

NO.	TRANSACTION	TYPE OF JOURNAL
a)	Bought a computer on credit	
b)	Returned goods previously bought on credits	
c)	Sold goods on credit	
d)	Bought shares in a company	

3. Taaka a retailer had a capital balance of sh. 320,000 as at 30th June, 2008. During the year ended 30th June 2009, the business made a net profit of sh.80, 000. Mokaya the proprietor made drawings of 4,000 each month for his personal use. Compute the business capital as at 30th June2009. (4mks)

4. Give **FOUR** differences between a public limited company and private limited company. (4mks)

a)

- b)
- c)
- d)

5. State **FOUR** reasons why itinerant traders are becoming increasingly popular in Kenya. (4mks)

- a)
- b)
- c)
- d)

6. Given below is a cash book extracted from the books of accounts of Patel Enterprises.

(4mks)

2009			sh	sh	sh	2009					
1/12	Balance			1500	90,000	14/12	Bank	C	30,00		
	b/d								0		
2/12	Rono		2000	38,000		20/12	Equipmen				80,00
							t				0
14/12	Cash	C			30,000	30/12	Drawings		7,000		

In relation to the entries appearing in the cash book extract, state the transaction that took place on each of the following dates.

(4mks)

- a) 2nd December 2009.....
- b) 14th December 2009.....
- c) 20th December 2009.....
- d) 30th December 2009.....

7. State **FOUR** reasons for increase in popularity of micro-finance institutions.

(4mks)

- a)
- b)
- c)
- d)

8. A successful manufacturing firm has been constantly releasing toxic waste into a nearby river.

Outline **FOUR** measures that consumers can take to stop the firm from such malpractices.

(4mks)

- a)
.....
- b)
.....
- c)
.....
- d)
.....

9. Highlight **FOUR** disadvantages of using machines in an office.

(4mks)

- a)
.....
- b)
.....
- c)
.....
- d)
.....

10. State **FOUR** factors that a person would consider when hiring a warehouse.

(4mks)

- a)
.....
- b)
.....
- c)
.....
- d)
.....

11. State **FOUR** ways of determining the prices of commodities in the market.

(4mks)

- a)
.....
- b)
.....

- c)
- ...
- d)
-

12. State whether each of the following transactions will increase, decrease or have no effect on balance sheet totals. (4mks)

NO.	TRANSACTION	EFFECT
a)	Paid a creditor in cash	
b)	Bought a motor van on credit	
c)	A debtor paid by cheque	
d)	Owner	

13. Outline **FOUR** classifications of goods and services produced in an economy. (4mks)

- a)
- b)
- c)
- d)

14. Highlight **four** benefits that accrue to a country that has a very high population. (4mks)

- a)
-
- b)
-
- c)
-
- d)
-

15. Give **FOUR** fiscal measures that a government may use to control inflation. (4mks)

- a)
-
- b)
-
- c)

.....
d)
.....

16. Give **FOUR** situations when oral communication may be used in an office. (4mks)

- a)
- b)
- c)
- d)

17. State **FOUR** uses of a business plan. (4mks)

- a)
.....
- b)
.....
- c)
.....
- d)
.....

18. Outline **FOUR** circumstances under which a manufacture would prefer to sell his products directly to consumers instead of selling through intermediaries. (4mks)

- a)
.....
- b)
.....
- c)
.....
- d)
.....

19. Highlight **FOUR** principles which guide the government in its expenditure. (4mks)

- a)
- b)
- c)
- d)

20. Highlight **FOUR** factors that hinder expansion of railway transport in Kenya. (4mks)

- a)
-
- b)
-
- c)
-
- d)
-

21. Give **FOUR** roles of ethical practices in Business.

(4mks)

- a)
- b)
- c)
- d)

22. Two following diagrams represent the circular flow of income between firms and household in an economy. Identify the flows labeled A, B, C and D and list them in the space provided. (4mks)

b a

c d

- a)
-
- b)
-
- c)
-
- d)

.....

23. Mention **FOUR** circumstances under which an insurance company may re-insure. (4mks)

a)

.....

b)

.....

c)

....

d)

...

24. The following information relates to Kizito traders for the year ended 31st December 2009.

Gross Profit	140,000
Salaries	20,000
Electricity charges	8,000
Discount allowed	6,000
Discount received	26,000

Prepare a profit and loss account for Kizito Traders for the year ended 31st December 2009. (4mks)

25. State **FOUR** features of indirect production. (4mks)

a)

b)

c)

d)

