

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

SCHOOL ..... SIGNATURE .....

DATE .....

565/1

**BUSINESS STUDIES**

**PAPER 1**

**JUNE 2022**

**TIME: 2 HOURS**

**SUKELLEMO PREMOCK EXAM**

Instructions to Candidates

- (a) Write your name in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided above
- (c) Answer all the questions
- (d) All answers must be written in the spaces provided in this booklet
- (e) This paper consists of **10** printed pages
- (f) Candidates should check the question paper to ascertain that all pages are printed as indicated and no questions are missing.

**For Examiner's use only**

<b>Question</b>	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Marks</b>													

<b>Question</b>	14	15	16	17	18	19	20	21	22	23	24	25
<b>Marks</b>												

**TOTAL MARKS**

1. Outline 4 skills that an individual would develop when learning business studies.(4mks)

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

2. Kenya usually hosts international sporting events such as world cross country championship. Highlight 4 business opportunities that arise out of such events. (4mks)

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

3. Outline 4 characteristics of public goods.(4mks)

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

4. Highlight 4 reasons why businesses should observe ethical practices. (4mks)

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

5. Outline 4 circumstances that would make an office manager to replace an existing machine with modern one.(4mks)

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

6. Outline 4 measures that may be taken to conserve forests in Kenya.(4mks)

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

7. State 4 similarities between a bill of exchange and a promissory note.(4mks)

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

8. John and Peter bought a Nissan matatu worth sh. 3,000,000. John paid sh. 2,000,000 and Peter sh. 1,000,000. They insured the matatu for a comprehensive cover for shs 2,500,000. Later the matatu was involved in an accident to a loss of sh 1,500,000. How much were they compensated and give a reason in support of your answer? (4 marks)

9. Outline 4 benefits that accrue to the government as a result of privatization of public enterprises.(4mks)

a)

b)

c)

d)

10. State 4 types of complaints that a consumer organization may receive from consumers.(4mks)

(a)

b)

c)

d)

11. On 1<sup>st</sup> October 2021, Sambu bought goods on credit quoted at sh 240,000. Terms of sale were: 20% trade discount, and 10% cash discount if payment was made on 29<sup>th</sup> October 2021. Calculate the amount paid if payment was made on 26<sup>th</sup> October 2021. (4mks)

12. Give 4 reasons why countries are opting for electric trains instead of diesel engine trains.(4mks)

a)

b)

c)

d)

13. Outline 4 benefits of using the internet for office communication.(4mks)

a)

b)

c)

d)

14. State 4 characteristics of assets. (4mks)

(a)

b)

c)

d)

15. Outline 4 circumstances under which a firm would be located near the market.(4mks)

a)

b)

c)

d)

16. State 4 causes of negative shift in demand curve.(4mks)

a)

b)

c)

d)

17. Mention 4 features of a market.(4mks)

a)

b)

c)

d)

18. Using a (+) for increase, (-) for decrease and (0) for no effect, indicate the effects of the following transactions on Assets, Liabilities, Capital and the balance sheet totals.

**(4 marks)**

Description	Assets	Liabilities	Capital	Balance sheet totals
a) Bought goods worth shs 5000 on credit				
b) Sold goods worth shs7000 for shs 8000 Cash				
c) The Proprietor took goods worth shs 2000 for personal use				
d) The Proprietor donated personal motor vehicle worth shs 500,000 to the business				

19. State 4 reasons why most companies have adopted the use of roadshows to promote their products.(4mks)

a)

b)

c)

d)

20. Give 4 reasons for the increased use of mobile phones in banking. (4mks)

a)

b)

c)

d)

21. State 4 negative effects of long chain of distribution to the buyer. (4mks)

a)

b)

c)



d)

22. Given the statements in the table below, indicate the type of entry to be made in the relevant ledger accounts. (4mks)

	Statement	Type of entry
i)	An increase in revenue	
ii)	A decrease in asset	
iii)	An increase in an expense	
iv)	A decrease in a liability	

23. State 4 activities that take place in a warehouse.(4mks)

a)

b)

c)

d)

24. Highlight 4 challenges that cooperative societies in Kenya face.(4mks)

a)

b)

c)

d)

25. The following information relates to Nyeri Enterprise for the period ended 31<sup>st</sup> December 2020

Sales	sh 1,000,000
Opening stock	sh 100,000
Closing stock	25% of cost of sales
Gross profit margin	20%

(4mks)

Calculate:

i) Gross profit

ii) Cost of sales

iii) Purchases

iv) Rate of stock turnover