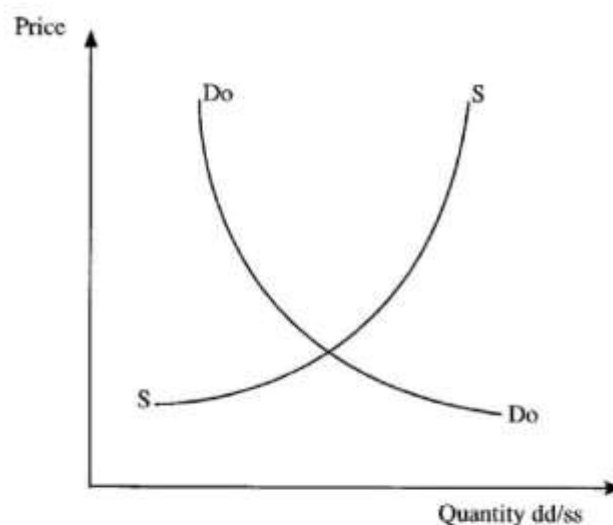


3.29 BUSINESS STUDIES (565)

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.

Details	Ksh
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 31st 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)