

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

DATE..... SIGNATURE.....

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS



KCSE ACHIEVERS PREDICTION



Kenya Certificate of Secondary Education

INSTRUCTIONS TO CANDIDATES

1. Write your name and index number in the spaces provided
2. Sign and write the date of the examination in the space s provided above
3. Answer all questions
4. All answers must be written in the space provided in this booklet
5. Do not remove any pages from this booklet

For Examiner's 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
Marks												



1. Give four features of basic human wants. (4mks)
 - a).....b).....
 -c).....
 -d).....
 -
2. Outline four reasons why the government trains business people (4 mks)
 - a).....b).....
 -c).....
 -d).....
 -
3. Highlight four factors to consider when selecting a channel of distribution. (4 mks)
 - a).....b).....
 -c).....
 -d).....
 -
4. Outline **four** commercial services that are useful to a manufacturer (4 Marks)
 - a).....b).....
 -c).....
 -d).....
 -
5. Indicate whether the following items are falling in real, nominal or private accounts. (3mks)

	Account
(a) Sales	
(b) Carriage inwards	
(c) Fixture and fittings	
(d) Stock	
(e) Cash	
(f) Capital	



6. Outline four characteristics of multiple shops (4mks)

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

7. Give **four** causes of unemployment in Kenya today (4 Marks)

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

8. State the journal that deals with each of the following types of transaction (4 Marks)

	Types of transaction	Journal
(a)	Sale of fixed asset on credit	
(b)	Correction of errors	
(c)	Credit purchases	
(d)	Return of goods by customers	

9. Write whether the following transactions will have an increase, decrease or no effect on the balance sheet totals.

(4mks)

Transaction

Effect

- a. Withdrew stock for personal use
- b. Paid a creditor by cheque
- c. A debtor paid by cash
- d. Received a loan by cheque

10. The following figures relate to Jamii Traders. Shs.

Details	
Capital 30.4.2022	940,000
Net loss	20,000





a) Working capital (2 mk)

b) Current ratio (1mk)

c) Capital owned (1mk)

d) Borrowed capital (1mk)

14. Outline four trends in forms of business units. (4mks)

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

15. State four reasons that can lead to the termination of an insurance policy. (4mks)

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

16. State four essential elements in communication. (4 mks)

a).....b).....
c).....

Commented [h1]:



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

17. Given below are transactions to Buda traders for each of the transactions, indicate in the column below the account to be debited and the account to be credited (4 Marks)

	Transaction	DR	CR
(i)	Paid salaries in cash		
(ii)	Withdraw cash from bank for office use		
(iii)	Paid telephone bill by cheque		
(iv)	Purchased office equipment on credit from Eldoret Holdings		

18. State four causes of business failure (4mks)

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

19. State four assumptions of circular flow of income in a two sector economy (4mks)

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



20. Highlight four roles of advertising agencies in product promotion. (4mks)

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

21. Outline four benefits of commercial production (4mks)

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

22. Give **four** reasons why firms choose to remain small in an economy dominated by large firms

(4 Marks)

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

23. Highlight four features of perfect competitive market. (4mks)

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

24. Name four documents that originate from the seller in the home trade. (4mks)

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

25. State **four** errors that do not affect the agreement of a trial balance (4 Marks)

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

