3.28 BUSINESS STUDIES (565)

3.28.1 Business Studies Paper 1 (565/1)

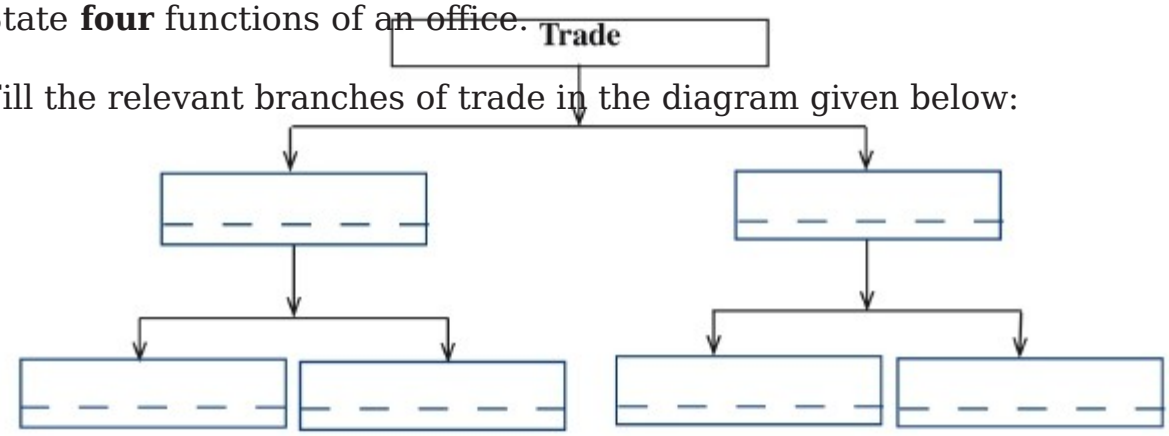
1 Outline **four** ways in which business studies may be of benefit to an individual. (4 marks)

2 Highlight **four** external factors that may negatively influence the operations of a business. (4 marks)

3 State **four** characteristics of a successful entrepreneur. (4 marks)

4 State **four** functions of an office. (4 marks)

5 Fill the relevant branches of trade in the diagram given below: (3 marks)



6 The participants in a two sector economy are households and firms. Identify the relevant participant in each of the statements given below: (4 marks)

Statement	Participant
a. payment for goods and services	a.
b. sale of factors of production	b.
c. payment for factors of production	c.
d. sale of goods and services	d

7 The following balances were extracted from the books of Wekesa Traders on 31st December, 2009.

Items	Shs
Capital	500,000
Cash in hand	20,000
Buildings	200,000
Furniture	25,000
Motor vehicle	400,000
Creditors	18,000
Debtors	36,000
Bank	100,000

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Bank loan	263,000

Using the above information, prepare Wekesa Trader's Trial Balance on 31st December, 2009.

(5 marks)

8 The following information relates to Karibu traders for the year ended 31st December 2008.

Details	**Shs**
Fixed assets	1,840,000
Current assets	400,000
6 year bank loan	600,000
Current liabilities	150,000

Determine owner's capital using the information given above. (4 marks)

9 State the type of unemployment relating to each of the following descriptions: (4 marks)

(a) Caused by alternating trading patterns occurring at similar times.

(b) Arises where workers have more skills and higher qualifications than the job requirements.

(c) Arises out of a mismatch between the skills possessed by potential employees and the location of the jobs available.

(d) Arises when people are unwilling to take up jobs due to low pay.

10 Highlight **four** circumstances under which the capital of a business may change. (4 marks)

11 Below are some entries in the cash book of Romano Traders for the month of July 2010.

Dr **CASH BOOK** **Cr**

Date (2010)	**Details**	**Cash** (Shs)	**Bank** (Shs)	**Date**	**Details**	**Cash** (Shs)	**Bank** (Shs)
July 1	Bal b/d	15,000		July 1	Bal b/d		100,000
July 6	Cash		20,000	July 6	Bank	20,000	
July 20	Sales		15,000	July 15	Wages	5,000	
July 28	Debtors	20,000		July 29	Stock		10,000
				July 31	Bal c/d	10,000	

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State the meaning of the following entries: (4 marks)

(a) July 1, 2010 Balance b/d, bank column, shs 100,000

(b) July 6, 2010 cash shs 20,000 and bank shs 20,000

(c) July 28, 2010 debtors shs 20,000

(d) July 31, 2010 Balance c/d shs 10,000

12 Outline **one** circumstance under which each of the following source documents may be issued by a trader: (4 marks)

(a) Debit note .....

.....

(b) Invoice .....

.....

(c) Credit note .....

.....

(d) Quotation .....

.....

13 Name **four** documents that may be required by the registrar of companies in order to register a public limited company. (4 marks)

14 Outline **four** measures that a country can take to reduce the level of inflation. (4 marks)

15 Outline **four** factors that may make a producer to by-pass the wholesaler when distributing goods. (4 marks)

16 Highlight **four** benefits that a country would get by developing her infrastructure. (4 marks)

17 State **four** benefits of a bonded warehouse to the government. (4 marks)

18 Outline **four** qualities of a successful salesperson. (4 marks)

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19 Highlight **four** factors that may cause the supply curve to shift to the right. (4 marks)

20 Outline **four** positive effects that production activities may have on community health. (4 marks)

21 State **four** basic features of a market. (4 marks)

22 Outline **four** features of a parastatal. (4 marks)

23 Outline **four** circumstances in which the government may be involved in business. (4 marks)

24 Highlight **four** factors that a trader may consider when choosing a means of transport. (4 marks)

25 State **four** reasons for privatizing public corporations. (4 marks)

3.28.2 Business Studies Paper 2 (565/2)

1 (a) Explain **five** benefits that may accrue to a country with a large proportion of skilled labour force. (10 marks)

(b) Outline **five** characteristics of an efficient tax system. (10 marks)

2 (a) Explain **five** benefits that Kenya may get as a member of C.O.M.E.S.A. (10 marks)

(b) Explain **five** factors that may hinder economic development in Kenya. (10 marks)

(ii) Balance sheet as at 31st December 2010. ($4\frac{2}{2}$ marks)

3 (a) Explain **five** benefits that may be realized by a country as a result of government policy to relocate industries to rural areas. (10 marks)

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(b) The following balances were extracted from the books of Soilo Traders on 31st December 2010.

	Shs
Machinery	360,000
Furniture	430,500
Sales	500,000
Opening stock	75,000
Closing stock	?
Purchases	395,000
Rent income	72,000
General Expenses	60,000
Debtors	62,250
Creditors	101,550
Bank	202,000
Cash	88,800
Capital	1,000,000

Additional information:

Gross profit margin is stated at 40%.

Prepare:

(i) Trading, Profit and Loss Account for the year ended 31st December 201 0. (5 marks)

4 (a) Explain **five** advantages of advertising to the consumer. (10 marks)

(b) On 1st January 2011, Jumo Traders had shs 22,500 in cash and shs 250,000 at bank.

During the month, the following transactions took place:

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2nd Jan.	–	Made cash sales of shs 465,200
5th Jan	–	Received a cheque for shs 451,250 from Kam au Traders in full settlement of their debt after a
15th Jan	–	Paid Ndaru Traders Shs 184,000 in cash after deducting a cash discount of shs 16,000
20th Jan	–	Deposited shs 200,000 from the cash till into t
25th Jan	–	Paid wages shs 144,000 in cash
28th Jan	–	Settled Mbago Trader's account of Shs 300,00 0 by
29th Jan	–	Withdrew shs 250,000 from the bank for offic
30th Jan	–	Deposited all the cash into the bank, except shs 59,700

Prepare a duly balanced three column cash book. (10 marks)

5 (a) Outline **six** circumstances under which a trader may use air tra nsport. (12 marks)

(b) Explain **four** ways through which a public limited company may be dissolved. (8 marks)

6 (a) With the aid of a diagram, explain the effect of an increase in the supply of a commodity while its demand remains constant. (10 marks)

(b) Explain **five** features of oligopoly. (10 marks)

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