KAPSABET HIGH SCHOOL

565/1
BUSINESS STUDIES
PAPER1
MAY- 2022
Time: 2 Hours

Name:…….....AdmNo:…….....Stream:……

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

Index no:……

2022 TRIAL 1 MAY INTERNAL EXAMINATION

Kenya Certificate of Secondary Education

INSTRUCTIONS TO CANDIDATES
Answer all the questions in spaces provided.

FOR EXAMINERS USE ONLY

QUESTIONS	1	2	3	4	5	6	7	8	9
MARKS									

10	11	12	13	14	15	16	17	18

19	20	21	22	23	24	25

TOTAL MARKS

This paper consists of 6 printed pages.
Candidates should check to ensure that all pages are printed as indicated and no questions are missing

Turn over

For marking schemes inbox 0724351706

1. State four factors that you would consider before extending credit facilities to a customer. (4 **Marks**)

(i) ...……..……

(ii) ……..…..…

(iii)……

(iv)……

2. Give four characteristics of human wants. (4 **Marks**)

(i) ...……..……

(ii)……..…..…..…

(iii)……

(iv)……

3. The following information relates to businesses W, X, Y and Z. (4 **Marks**)

BUSINESS	**ASSETS**	**LIABILITIES**	**CAPITAL**
W	350,000	b	150,000
X	a	160,000	240,000
Y	800,000	450,000	d
Z	700,000	c	280,000

Determine the figures represented by a, b, c and d. (4 **Marks**)

(i) ..……..……

(ii) ……..…..…..…

(iii)……

(iv)……

4. State any four principles that govern the operations of co-operative societies in Kenya. (4 **Marks**)

(i)...…….;;……

(ii)……..…..…..…

(iii)……

(iv)……

5. Highlight four limitations posed by the use of national income statistics as a way of comparing the living standards of people for different countries. (4 **Marks**)

(i)...……

(ii)……..…..…..…

(iii)……

(iv)……

6. State four merits associated with internal borrowing. (4 **Marks**)

(i)...……

(ii)……..…..…..…

(iii)……

(iv)……

7. What four measures would you advice the government of Kenya to apply so as to curb the inflationary tendencies the country is currently experiencing? (4 **Marks**)

(i)...……..……

(ii)…….…..…..…

(iii)……

(iv)……

8. State four factors that may influence the price elasticity of demand of a commodity. (4 **Marks**)

(i)...……..……

(ii)…….…..…..…

(iii)……

(iv)……

9. State four possible factors that may contribute to a case of an abnormal demand curve. (4 **Marks**)

(i)...……..……

(ii)…….…..…..…

(iii)……

(iv)……

10. The data below relates to Kimeu's business as at 31st Dec 2010. (4 **Mark**)

	Shs
Capital as at 1st Jan 2010	100,000
Additional investment in the year	40,000
Profit realized in the year	25,000
Drawings made in the year	45,000

Determine Kimeu's capital as at 31st Dec 2010

11. State four features of labour as a factor of production (4 **Marks**)

(i)……

(ii)…….…..…..…

(iii)……

(iv)……

12. The table below shows descriptions relating to some documents used in home trade. Name the document fitting the description. (4 **Marks**)

DESCRIPTION	DOCUMENT
(i) Used to correct an undercharge error	
(ii) Seeking information on items stocked and their prices	
(iii) Inform the buyer that the goods ordered have been dispatched	
(iv) Requests payment for goods before they are sent to the customer	

13. Outline four reasons why governments participate in business. (4 **Marks**)

(i)...……..……

(ii)…….…..…..…

(iii)……

(iv)……

14. State four features of an oligopolistic type of Market. (4 **Marks**)

(i)..……

(ii)…….…..…..…

(iii)……

(iv)……

15. The following information relates to Blue star traders in the year 2009.

Jan 1 started business by depositing Shs. 150, 000 in the business' bank account

Jan 2 bought stock worth shs. 10,000 by cash.

Enter these transactions in the relevant ledger accounts.

16. State four possible errors that may not be detected by a trial balance.

...……

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……

……

17. Under what four circumstances would a producer opt to sell his goods directly to his customers?

(4 **Marks**)

(i)..……..……

(ii)…….…..…..…

(iii)……

(iv)……

18. The balances below were extracted from the books of Kazu traders as at 30th June 2010.

ITEM	KSHS
Furniture	20,000
Debtors	30,000
Creditors	42,000
Cash in hand	25,000
Cash at bank	60,000
Delivery van	280,000
Capital	348,000
Bank van	120,000
Net loss	45,000

Prepare Kazu's balance sheet as at 30th June 2010.

19. State four gaps in the market that may provide an opportunity to an entrepreneur. (4 **Marks**)

(i)..……

(ii)…….…..…..…

(iii)……

(iv)……

20. State four reasons why an insured may not be compensated despite an insured risk occurring. (4 **Marks**)

(i)..……

(ii)…….…..…..…

(iii)……

(iv)……

21. Under what four circumstances would an office manager think of replacing an existing machine with a modem one? (4 **Marks**)

(i)..……

(ii)…….…..…..…

(iii)……

(iv)……

22. State four ways through which a consumer may be exploited. (4 **Marks**)

(i)..……..……

(ii)…….…..…..…

(iii)……

(iv)……

23. Give four differences between an ordinary share and a preference share.

ORDINARY SHARE	PREFERENCE SHARE
(i) ……..	(i) ……..
(ii)…….……	(ii)…….……
(iii)……	(iii)…….……
(iv)……	(iv)…….……

24. Kim insured his motor vehicle value at shs.1,000,000 for shs. 800,000. The motor vehicle was involved in an accident and declared a write off. Calculate the amount Kim should get from the insurer.

(4 **Marks**)

25. State four ways through which the piece of a commodity may be determined. (4 **Marks**)

(i)..……..……

(ii)…….…..…..…

(iii)……

(iv)……