BUSINESS STUDIES YEAR 2009 PAPER1

1. State four factors that affect the geographical mobility of labour.
(4marks)
2. Outline four ways in which commercial Attaches may promote trade between their country and
other countries.
(4marks)

3. Amboseli Enterprices has been spending heavily on promotion for its products though its sales have
consistently declined. Outline measures that the company may take to reserve the trend
.(4 marks)

4. Write the type of demand represented by each of the following statement. (4maiks)

i) Demand for a commodity cause and increase in demand for another commodity ii) Demand for another commodity call for demand of another commodity (2marks)

5 The following balances are extracted from the books of Saku Trader on 31 March 2008.'

Fixed assets	300,000
Current assets	123,700
Creditors	84,500
5-yrear loan	125,000

Determine the network of the business as at 31st March 2008. (4marks)

6 Indicate the type of journal in which each of the following transaction would be recorded. (4marks)

	Transaction	Type of Journal
i) ii) iii) iv)	Goods previously sold on credit were returned Goods bought on credit Goods sold for cash Motor vehicles sold on credit	

7 A trader has decided to take a loan to expand a manufacturing business. Give two reasons why it is
beneficial to borrow from a non-bank financial institution

(4marks)

8 State four items that usually appear on the credit side of the current account of a country.

(4mark)

9 Outliner four benefits that may accrue to a business from a country's political stability.

(4 marks)

10. A lucrative manufacturing firm has been constantly releasing toxic wastes into the neighborhood. Outline four measures you can take to stop the firm from such malpractice (4. marks)

11. Outline **four** factor that should be considered in the choice of a means for transporting perishable goods. (4. marks)

12. Outline **four** circumstances under which face to face communication may ineffective.
(4. marks)

13. Highlight **four** benefits that would accrue to a firm located near-other existing firms
(4. marks)

14. Country 'X has been experiencing an upward tread in the price of petrol as a result of a rise in inflation. State **four** steps that can be taken to minimize expenditure on this product
(4 marks)

15. Outline **four** reason why an increase in per capital income bay not necessarily lead to a rise in the standard of living of *the ctjzens*

16. The bookkeeper of Tande Traders extracted the following information from .the Accounting records.

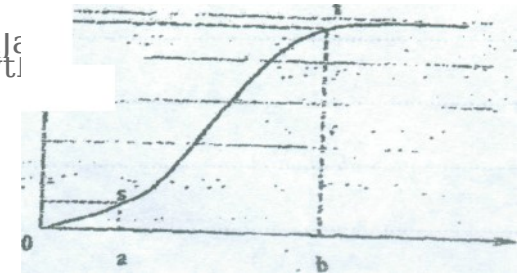
	1.1.2007 Sh	31,12.2007 Sh'
Suppliers	465,000	640,000
Discount received		12,000
Purchases returns		25,000

During the year ended 31.12.2007, suppliers were paid Sh 1,500,000 while cash purchases amounted to Sh 800,000. Determine the purchases for the year.
(5 marks)

17. Outline **four** circumstances that would make an office manager to replace an existing machine with a modern one

18. Outline **four** reasons why hypermarkets are becoming increasingly popular in Kenya.

19. The graph below shows the rate of population growth of a given country.



Outline **four** factors that may have contributed to the trend between s and t.

20 Kazim maintains a petty cashbook on a weekly imprest of Sh 13,000.

On 1st April 2007 the! cash balance was Sh 2,570.

During the week of April, the following transactions took place.

2007
April2 "Received reimbursement from the
" 3 main cashier Paid Sh 3,070 for
" 4 cleaning materials Paid Sh
" 6 2,000 bus fare
Bought stationery worth Sh 2,200

Prepare a petty cashbook to record the above transactions using cleaning, stationery and bus fare columns (5 marks)

21 HighJight four circmstances under which business enterprises may choose to merge.

(4 marks)

22 The following information relates to Maji MazuriTraders as, at 31,

Fixed assets		400,000
Stock		120,000
Current Iiabilities		60,000
Net profit for the current year	1,000	:

Calculate: . , >

(i) rate of return on capital employed;

(ii) curren tratio. . , . (4 marks)

23 Highlight **four** factors that must be considered before incurring public expenditure.

(4marks)

24 Outline four benefits that accrue to the government as a result of privatization of public
enterprises. (4 marks)

(a)

(b)

(c)

(d)

25 KAMAT owned a motor vehicle valued at Sh 1,000,000. He comprehensively insured the car
at Sh 800,000. The motor vehicle was involved in an accident and declared a write off.
Calculate the amount KAMAT should get from the insurer. (4 marks)