KCSE PREDICTIONS 2022

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Business Studies Paper 1 Questions and Answers - 2022 K.C.S.E

Contact Dr Rakdafha @0742783643 for more predictions and updates about kcse leakage

Prediction Set 1

1.Physical resources

- Buildings
- Motor vehicles
- Machines
- Furnitures
- Equipment

2.Importance of entrepreneurship in a country

- Creates employment
- Promotes innovation and creativity
- Enhance utilisation of available resources
- Generates personal/national income
- Creation of a varirty of goods
- promote new technology
- Enhances development of enterprising culture in the country
- Enables formation of capital/wealth

3.Personal attributes of a secretary

- Good personal grooming
- High standards of health
- Should manintain an upright and energetic posture proper walking styles/sitting styles
- Should be orderly in the he/she performs and organises his or her work

4.Circumstances under which a credit note is issued

- When invoice is overcharged
- When goods are returned due to damage
- When goods not supplied are charged for
- Where goods not ordered for are returned
- Where the buyer returns empty packing containers for which he had charged
- Where a deserving discount is not allowed in the invoice

5.Challenges facing cooperative societies

- Withdrawal of members causing financial strains to the society
- Smiall contribution by members leading to financial difficulties
- Does not attract high quality staff because of low pay
- Members are not well informed hence do not take part in the affairs of the society
- Manangement committee ar en ot qualified
- Suffer from unnecessary polituical interfererence
- Slow decision making procvess
- They are flexible
- May suffer from mismanagement/embezzlement of funds

6.Benefits of containeristaion

- Carry large quantities
- Minimal damage to goods
- Goods are safe from theft and pilferage
- Low insurance premiums
- Ease of loading and offloading due to use of handling equipment
- Minimal handling cost due use of modern technology
- Containers are fitted with appropriate handling services
- Possible to transport speciliased goods using specially designed containers

7.Advantages of E-mail

- Relatively cheap
- Relatively fast
- It is confidential
- Instant feedback
- User can access other information such as advertising

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- It is relatively easy to retrieve information
- It is universal
- Detailed information can be sent
- The information can be used for futur reference

8.Factors that may limit the effectiveness of a warehouse

- Inadequate premises to accommodate goods
- Poor/ionadequate handling equipment/machines
- Incovenient location to users
- Lack of special facilities to cater for special goods
- Unqualified and incompetent staff
- Poor security
- Non competitive with legal requiremnt
- Poor inventory control

9.Movement along a supply curve and shift of supply curve

Movement	**Shift**
Only one supply curve involved	Involves two supply curves
Caused by change in the price of a commodty	Caused by other factors besides the prices
Is the quantity supplies that changes	It is the supply that changes
A different quantity is supplied only at a different price	A differnt quantity is supplied at the same price as before
Can be traced up and dpwn the smae curve	Cause the entire supply curve to move either to the left or to the right

10.Effects of production activities on the envrionment

- Depletion of productive resources
- Degradation of the environment
- Pollution of air/water
- Rise in crime and anti-social activities
- Diverse effects on the ozone layer
- Disease and poor health caused by hadnling of chemicals
- Psychological diseases e.g. stress
- Noise poluution causing hearing problems

11.Monopoly vs monopolistic competition

Monopoly	**Monopolistic**
Exists only one single seller	Exists more than one firm/seller
No close substitutes	Products are differentiated
Exercises full control of the market	No single firm controls a significant proportion of the total market
The firm is the price giver/setter	A firm must exercise some caution before changing the price
Demand curve steeply slopes from left to right	The demand curve slopes gently from left to right

12.Factors that influences the choice of distribution channels

- Nature of the product
- Location of the market
- Cost of the channel
- Governemet policy
- The size of the market
- Nature of competition
- Need for after ssale service
- Amount of capital/finances
- Volume of goods produced
- Financial ability of the consumers

13.Limitations of using National income statistics to measure standard of living

- Data being used may not be accurate
- National income figures does not reflect the distribution of income
- Consumption patterns and lifestyles are not constant
- It may not show the proportion of income spent on productive or on productive activities
- A high income could be at the expenes of citizens social welfare
- Figures may not reflect depreciation/appreciation assets

14.State the efecct of each of the follwoing transactions on a balance sheet total. Use increase,decrease and No effect (4 mark)

a.Increase

b.Decrease

c.No effect

d.Decrease

15.The following information was extracted from Kariuki Enterprise for the month ended 31st Augsut 2015

Gross profits 24000

Total expenses 80000

Total revenue income 10% of sales

Mark up percentage 25%

Prepare a profit and loss Account for the months (4 mark)

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16. Factors of demand for money

- Level of individual income
- Price level/inflation
- Interest rate
- Availability of credit facilities
- Individual's style of life/spending habit **17.Features of economic resources**
- They are scarce/limited
- Have monetary value
- Unevenly distributed
- Can be combined
- Have utility/usefulness
- Can be tranferred form one person to another

18.Disadvantages of division of labor

- Lead to monotony resulting to boredom
- Hinders creativity
- Makes a worker dependant on one trade
- Encourage the use of machines which may lead to unemployment
- May make a country dependent on other countries
- Bring people together and this lead to social problem
- Lack of pride in the final product
- If a few people stop working the whople production process stops

19.Advantages of government involvement in business activities

- Provison of essential goos/services
- Provison of large capital invetsment
- Protection of citizens from exploitation
- Stimulation of economic development
- Create employment
- To generate government reveneue
- Stabilistaion of the ecnomy
- Promotre equity in distribution of resources
- Control use of resources
- Maintenance of law and order
- Promotion of best practices
- Reduce foreign dominance
- Promotion of entrepreneural culture
- Promote investment in the country

20. Re-insurance circumstance

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- When the value of the property it has insured is high
- When the chance of the risk occuring is very high
- When an insurance company has covered many risks
- Incase there is need for insurance comapny to spread the risk
- When the government policy makes it mandatory

21.i.Competitive advertising

Advertising which is aimed at convincing a customer to prefer a particular product

ii.Celebrity Advertising

Advertising where a famous person is used to endorse a product by identifying with it e.g Nameless(muscles) yego etc

22.The diagram below shows the relationship between population trend and income per head

i.Income per head/per capita income

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ii.Optimum population

iii.Under population

iv.Over population

23.Give in statement from the business transactions in the accounts below (4 marks)

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Jan 1: Business started with cash sh. 100000 as capital

2: Deposited cash from cash till o to the business account sh. 50,000

jan 8: Purchased stationery sh 10,000 and paid in cash

10: Purchased stationery worth shs. 4,000 and paid by cheque

24.In the spaces provided state the source document for each of the books of original entry (4 mark)

Book of original entry	**Source document**
i.Cash receipt Journal	
ii. Return inwards Journal	
iii. Purchases Journal	
iv. Sales Journal	
Demand curve steeply slopes from left to right	

25.The cost of consumer goods and services for a representative basket of an average family is given

below

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i.Cash receipt

i.Outgoing credit note

iii.Incoming invoice/purchases invoice

iv.Outgoing invoice/sales invoice

Hello student I'm Dr. Rakdafha lecturer at Daystar university

I will like just to tell you that, success is all about you efforts and sacrifices you put towards archiving your goals. Many students relax and only depends on a leakage which actually comes late so if you want to pass try to spend more time on reading and practicing more mathematical concepts.

Leakage might be there but kindly don't depend too much on a liability while you have the real assets in your books

Contact me via WHATSAPP @0742783642.