

**Business Studies Paper 1 (565/1) KCSE 2011**

1 Identify the types of wholesalers described in the statements given below: (4 marks)

- (a) A wholesaler who trades in maize grain only.

.....

- (b) A wholesaler who supplies goods to most of the traders in Kitui, Mbooni and Machakos districts in the Eastern part of Kenya.

.....

- (c) A wholesaler who buys tomatoes from farmers in rural areas and sells the same to other wholesalers in urban areas.

.....

- (d) A wholesaler who trades in a wide variety of human medicine.

.....

2 Outline **four** factors that should be considered before buying office equipment. (4 marks)

(a) .....

(b) .....

(c) .....

(d) .....

3 Outline **four** malpractices by traders against which consumers may need protection by the government. (4 marks)

(a) .....

(b) .....

(c) .....

(d) .....

4 State **three** features of an insurable interest. (3 marks)

(a) .....

(b) .....

(c) .....

5 Outline **four** ways of reducing the level of unemployment in Kenya. (4 marks)

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

6 State **four** services offered by a commercial bank to its consumers. (4 marks)

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

7 List **four** sources of public finance. (4 marks)

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

8 Outline **four** reasons why countries may trade with each other. (4 marks)

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

9 State **four** reasons why economic development is desirable to a country. (4 marks)

- (a) .....
  - (b) .....
  - (c) .....
  - (d) .....
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- 10** Indicate the reward associated with each of the factors of production in the table below. (4 marks)

	<b>Factor of Production</b>	<b>Reward</b>
a	Land	
b	Labour	
c	Capital	
d	Entrepreneurship	

- 11** Outline **four** circumstances under which a co-operative society may be dissolved. (4 marks)

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

- 12** Highlight **four** features of a bonded warehouse. (4 marks)

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

- 13** Outline **four** factors that may be considered when measuring the size of a firm. (4 marks)

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

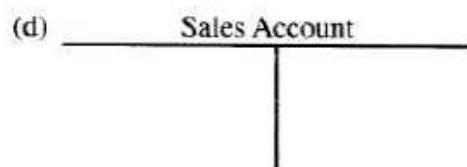
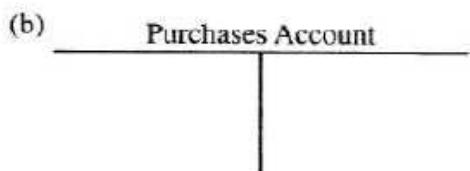
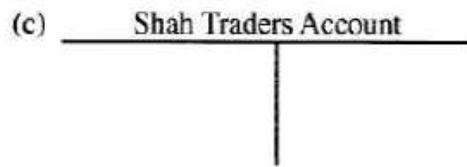
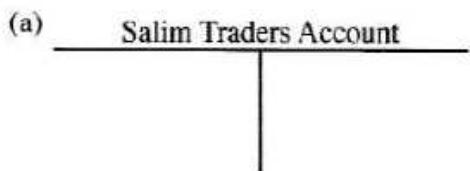
- 14** The following transactions were extracted from the books of Sarah Traders for the month of March 2006.

March 10: Purchased goods on credit worth Ksh 200,000 from Salim Traders

March 25: Sold goods on credit worth Ksh 420,000 to Shah Traders

Record the above transactions in the ledger accounts below:

(4 marks)



- 15** On 2<sup>nd</sup> November 2006, Oromo received an invoice for Ksh 12,000. Terms of payment were trade discount 5% and cash discount 10%, if payment is made within 30 days. Determine the amount paid if payment was made on 28th November 2006. (4 marks)

- 16** The following balances were extracted from the books of Nafula Traders as at 31<sup>st</sup> December 2005.

	Ksh
Current Liabilities	150,000
Net profit	50,000
Total assets	500,000
2 years Bank loan	100,000

Calculate the rate of return on capital. (4 marks)

- 17** The information given below was extracted from the books of Amina Traders on 31<sup>st</sup> December 2006.

	Ksh
Purchases	260,000
Opening stock	75,000
Carriage on purchases	12,500
Closing stock	27,500
Goods were sold at a mark-up of 25%.	

Using the information given above, prepare Amina Traders' Trading Account. (4 marks)

- 18** State four benefits that a farmer may get by transporting produce to the market by road. (4 marks)

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

- 19** The table given below represents the supply schedule of sukuma wiki (kales) for eight weeks in the months of January and February 2009.

WEEK	1	2	3	4	5	6	7	8
QUANTITY (METRIC TONNES)	505	485	430	375	340	290	215	195

Outline **four** causes of the trend in the table. (4 marks)

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

- 20** Outline **four** ways in which households contribute to national income of a country.

(4 marks)

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

- 21** Outline **four** circumstances in which a trader may use oral communication.

(4 marks)

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

- 22** Outline **four** reasons why a firm may remain small.

(4 marks)

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