

Name: Index no

Date: Adm NO:.....

565/1
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

FORM 3 EXAMINATION 2022

Kenya Certificate of Secondary Education (K.C.S.E.)

BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

- Write **your name** and **your index Number** in the spaces provided above.
- **Sign** and **write** the **date** of examination in the spaces provided above.
- Answer **all** the questions in the spaces provided.
- This paper consists of 8 printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

FOR EXAMINERS USE ONLY:-

Question	1	2	3	4	5	6	7	8	9	10	11	12
Score												

Question	13	14	15	16	17	18	19	20	21	22	23	24	25
Score													

TURN OVER

1. Outline four reasons why cash payment would be preferred to cheque payment (4marks)
 - i)
 - ii)
 - iii)
 - iv)
2. State four problems consumers can encounter in the process of satisfying their wants (4marks)
 - i)
 - ii)
 - iii)
 - iv)
3. State four reasons why Kenya has not been able to utilize her natural resources fully (4marks)
 - i)
 - ii)
 - iii)
 - iv)
4. Highlight four conditions necessary for business to maintain a healthy business environment (4marks)
 - i)
 - ii)
 - iii)
 - iv)
5. Listed in the table below are various forms of production. For each form of production, indicate (✓) the correct classification in the appropriate column.

Forms of production	Primary	Secondary	Tertiary
Farming			
Transportation			
House building			
Retailing			

6. From the following information prepare a three column cash book duly balanced

(4marks)

2010

May 1: Balances brought for forward: - Bank 2000 (cr)

Cash 1000

May 5: Received Sh.7800 Cash from Wambua after deducting 2½% cash discount.

May 14: Deposited Sh.8800 from the cash till to the bank

May 24 Paid wages of Sh.800 by cheque

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

(4marks)

i)

ii)

iii)

iv)

8. Outline four measures that can be taken to improve efficiency of parastatals in Kenya

(4marks)

i)

ii)

iii)

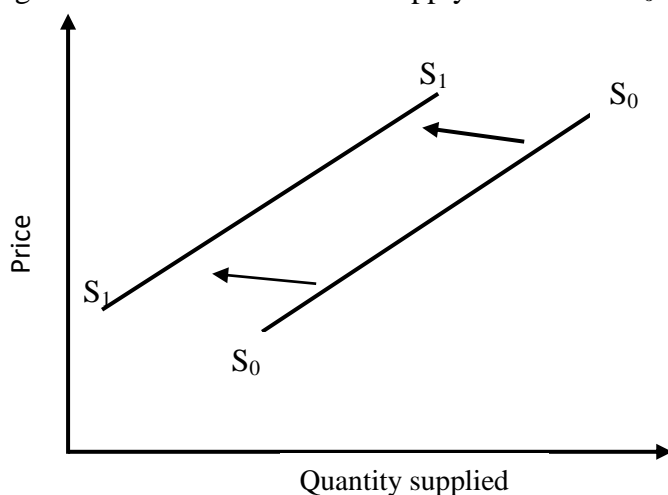
iv)

9. Outline four factors that an entrepreneur would consider in deciding whether a business opportunity is worth investing (4marks)
- i)
- ii)
- iii)
- iv)

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

11. Highlight four circumstances under which owners equity may change (4marks)
- i)
- ii)
- iii)
- iv)

12. The diagram below shows a shift in supply curve from S_0 to S_1



State four factors that may account for the above shift

- i)
- ii)
- iii)
- iv)

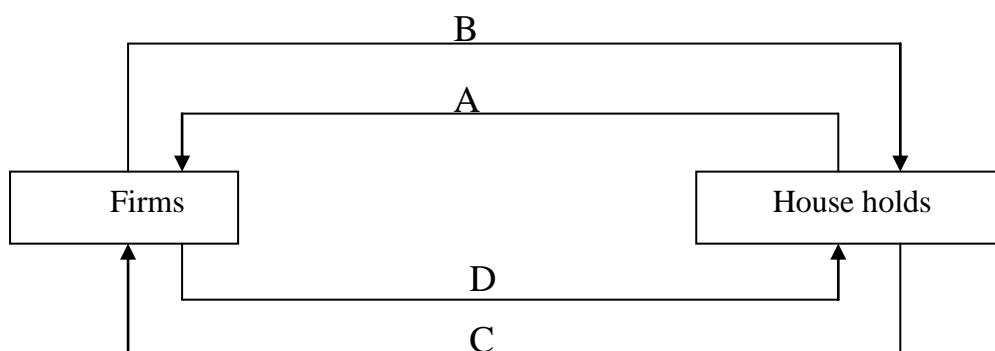
13. Highlight four measures a government may take to attract firms to an areas (4marks)

- i)
- ii)
- iii)
- iv)

14. Give four ways in which a manufacturer in monopolistic competition may use to differentiate his products from those of rival firms. (4marks)

- i)
- ii)
- iii)
- iv)

15. Study the following diagram and state the missing terms (4marks)



- A
- B
- C
- D

16. Outline four negative effects of ageing population in an economy.

(4marks)

- i)
- ii)
- iii)
- iv)

17. State the term given to each of the following disciplines.

a). Study of how man strives to satisfy his unlimited wants using limited resources

.....

b). Study of trade and aids to trade

.....

c). Systematic way of recording business activities used for decision making

.....

d). Study of the process of identifying business opportunities and acquiring necessary resources to start the business

.....

18. Outline four reasons that have led to the growth of savings and co-operative societies in Kenya

(4marks)

- i)
- ii)
- iii)
- iv)

19. The following information shows the financial position of Achoki Traders as at 1st May 2010

Kshs.	
Capital	130,000
Cash in hand	40,000
Rent owing	12,000
Furniture	110,000
Debtors	20,000
Stock	60,000
Trade creditors	38,000
Bank overdraft	50,000

Prepare trial balance of the business

(4marks)

20. Outline four expenses that intermediaries incur in the process of distributing goods (4marks)

- i)
- ii)
- iii)
- iv)

21. Outline four benefits that consumers get from warehousing (4marks)

- i)
- ii)
- iii)
- iv)

22. Highlight four reasons why it is important for a business to develop affective communication (4marks)

- i)
- ii)
- iii)
- iv)

23. Outline four reasons why the government regulates business activities in the country (4marks)

- i)
- ii)
- iii)
- iv)

24. State four factors that may discourage the use of pipeline as a means of transporting petroleum in Kenya. (4marks)

- i)
- ii)
- iii)
- iv)

25. State any four benefits of using E-commerce in transacting business in an organization (4marks)

- i)
- ii)
- iii)
- iv)