



MANGU HIGH SCHOOL

565/1

Name

Adm. No

Candidate's signature

Date

Class

Kenya Certificate of Secondary Education

565/1

BUSINESS STUDIES

MOCK EXAMS - 2022

Paper 1

2 hours

Instructions to Candidates

- ❖ This paper consists of 25 questions
- ❖ Answer all the questions
- ❖ All answers must be written in the spaces provided in this booklet
- ❖ Do not remove any pages from this booklet
- ❖ This paper consist of 10 printed pages
- ❖ Candidates should check the question paper to ascertain that all the pages are printed as indicated and no questions are missing

For Examiner's use only

TOTAL MARKS



1. State four components of business studies.

(4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

2. Identify the business environment described in each case below. (4marks)

(a) The level of know-how and efficient use of tools equipment and other resources

(b) Price levels, income, interest rates, inflation and taxation

(c) Where firm try to outdo each other

(d) Considers age, population density and market size-

3. State the best type of machine one would use to perform the following tasks. (4 marks)

	Function	Type of machines
a)	To store large volume of data	
b)	To create postage impression on envelope	
c)	To make exact copies of certain original document	
d)	To destroy sensitive but unwanted document	

4. Use the following terms indicated below to match with the given statement:
GDP, NNP, GNP, NDP (4mks)

- a) Total value of all goods and services produced by citizens of a country wherever they are
- b) Total value of goods and services produced by citizens within a country's border
- c) Total value of goods and services produced by individuals within and outside the country less depreciation
- d) Gross domestic product less depreciation.....

5. Outline any **four** gaps of a business opportunity that exist in a market. (4 marks)

- a)
- b)
- c)
- d)

6. State **four** characteristics of a viable tax system. (4 marks)

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

7. Classify each of the following goods as either producer or consumer.

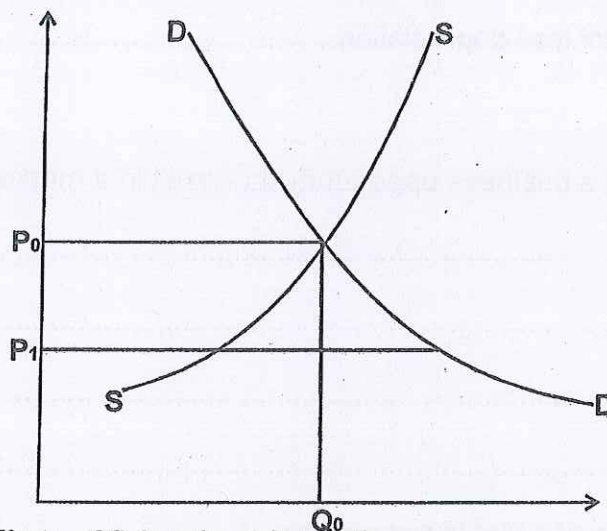
	Goods	Classification
a)	Tools	
b)	Private vehicle	
c)	Factory	
d)	Clothing	

8. State four benefits of a balance sheet.

(4 marks)

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

9. Study the diagram below and answer the questions that follows.



State four effects of fixing the price at P_1

(4 marks)

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

10. Outline four contents of a memorandum of association.

(4 marks)

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

11. Outline four consequences of poor arrangement of goods in a warehouse. (4 marks)

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

12. Outline four functions of advertising agencies. (4 marks)

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

13. State four features associated with Economic Development. (4 marks)

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

14. The following information relates to Masaku Enterprises for the period ended 31st December 2005.

Sales	1,000,000
Opening stock	100,000
Gross profit margin	20%
Closing stock	25% of cost sales

Required: Prepare his trading account for the period ended 31st December.

(4 marks)

15. Outline four ways in which the government creates an enabling environment for business.

(4 marks)

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

16. Identify the ledger in which the following accounts are kept.

(4 marks)

	Account	Ledger
a)	Equipment A/c	
b)	Drawings A/c	
c)	Creditors A/c	
d)	Cash a/c	

17. Highlight four importance of insurance to individuals.

(4 marks)

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

18. Outline four financial services Central Bank offers to the government.

(4 marks)

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

19. Mention four adverse effects of inflation in Kenya.

(4 marks)

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

20. Outline four circumstances that lead to a traders decline in giving credit facilities to a customers. (4 marks)

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

21. The following information relate to Agatha Enterprises for the year ended 31st December 2004.

	Shs
Capital as at 31/12/2004	85,000
Drawings for the year	13,000
Net loss for the year	6,000
Capital introduced in the year	33,000

Required

Determine Agatha's capital on 1st January 2004

(4 marks)

22. State four channels of distributing locally produced agricultural products. (4 marks)

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

23. Outline four differences between a monopolistic competition and monopoly market. (4 marks)

	Monopoly	Monopolistic competition
a)		
b)		
c)		
d)		

24. From the following transactions indicate the account to be debited or to be credit. (4 marks)

	Transactions	Account Dr.	Account Cr
a)	Started a business with 10,000 in cash		
b)	Purchased goods worth shs 10,000 on credit		
c)	Sold goods worth shs 20,000 payment received by cheque		
d)	Received a cheque from the debtor shs 2,000		

25. Outline four benefits Kenya derives as a member of East Africa community. (4 mks)

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