

KCSE 2017 JKIM JOINT EXAMINATION

565/1

Business paper 1 Question paper

Time: 2 hours

Instructions: Answer ALL questions in the space provided.

1. State four benefits that a country may get by being a member of the International Monetary Fund (IMF). (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

2. In the table, indicate the type of advertising describe. (4 marks)

description	Type of advertisement
a) Promotes a particular brand of a product	
b) Creates awareness about a product	
c) Promotes the name of the manufacturer	
d) Persuades the consumers to buy a product	

3. Write down four advantages of an open office. . (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

4. Outline four ways in which the government creates enabling environment for business. . (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

5. State four advantages of operating a public limited company. . (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

6. Outline four characteristics of a perfectly competitive market. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

7. Write down four reasons that account for the continued survival of small firms despite the existence of large firms producing similar goods. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

8. Outline four ways through which a government may participate in the operations of a state corporation. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

9. Highlight four ways of making face to face communication effective. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

10. State four reasons why per capita income is not a good indicator of standards of living. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

11. State four ways in which communication enhances trading activities. (4 marks)

- (i).

- (ii).
- (iii).
- (iv).

12 Highlight four measures that would be taken by a country in order to correct her balance of payment deficit. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

13. The table below shows four transactions for a business. In the spaces provided, tick the account affected by the transaction (4 marks)

Transactions	Debit	Credit
a)increase in expenses		
b)increase in liability		
c)increase in assets		
d)increase in capital		

14. Highlight four role of stock exchange market in the Kenyan economy. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

15. state the meaning of the following terms as used in business ownership. (4 marks)

- (i) Globalization
- (ii) Merger
- (iii) Holding company.....
- (iv) Front Office Savings Account (FOSA).....

16. state four benefits business firms enjoy as a result of government involvement in business activities. (4 marks)

- (i).
- (ii).

- (iii).
- (iv).

17. state four factors one should consider in choice of a method of product promotion. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

18. Highlight four principles of insurance. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

19. Highlight four **reasons** that may necessitate a country to adopt trade protectionism measures. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

20. Kibet enterprises had a cash balance of shs.150, 000 and overdraft of shs.115, 000 on 1st Jan 2009

The following transactions were conducted:

- Jan 2nd A debtor paid Shs 40,000 by cheque
- Jan 10th the business bought stock Shs 10,000 in cash
- Jan 12th creditors were paid Shs 5,000 by cheque
- Jan 13th sold goods Shs 30,000 in cash
- Jan 15th bough stock worth Shs 12,000 paid in cash

Required:

Prepare a dully balanced two column cash book. (4 marks)

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21. State three indicators that show that a country has undergone economic development. (3 marks)

- (i).
 - (ii).
 - (iii).
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22. list four features of endowment assurance policy. . (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

23. Highlight four advantages of using sales person in product promotion. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

24. state four risks that face entrepreneurs in their operations. (4 marks)

- (i).
- (ii).
- (iii).
- (iv).

25. The following information relates to Nduati Traders. For the year ended 31 Dec. 2003

	Shs
Gross profit	140,000
Salaries	20,000
Electricity charges	8,000
Discount allowed	6,000
Discount received	26,000

Prepare a profit and loss account for Nduati Traders for the year ended 31st Dec, 2003(5 marks)

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