

THE KENYA NATIONAL EXAMINATIONS COUNCIL  
Kenya Certificate of Secondary Education

565/1



**BUSINESS STUDIES**

Paper 1

Nov. 2024 — 2 hours

Candidate's signature: ..... Date: .....

**Instructions to candidates**

- (a) Confirm that this question paper has your name and the correct index number.
- (b) Sign and write the date of examination in the spaces provided above.
- (c) Answer **all** the questions in the spaces provided in the question paper.
- (d) Non-programmable silent electronic calculators may be used.
- (e) **This paper consists of 12 printed pages.**
- (f) **Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**
- (g) **Candidates should answer the questions in English.**

**For Examiner's Use Only**

Question	1	2	3	4	5	6	7	8	9	10	11	12	13
Marks													

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

<b>Total Marks</b>	
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2

Answer all the questions in the spaces provided.

- 1 Outline four factors that may determine the fertility rate of a population. (4 marks)

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

- 2 State the unit of carriage for each of the following modes of transport.

	Mode of transport	Unit of Carriage
a.	Porterage	
b.	Road	
c.	Sea	
d.	Air	

- 3 A dairy farmer sold milk to the cooperative society at Sh. 370. The cooperative society processed and sold the milk to ABC wholesalers at Sh. 400. ABC wholesalers sold to Kamau retailers at Sh. 440, who then sold to the consumer at Sh. 510. Calculate the total value added to the product. (3 marks)

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- 4 XBC company has been listed at the Nairobi Securities Exchange (NSE). Outline **four** advantages of XBC company being listed on the NSE. (4 marks)

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

- 5 Outline **four** factors that can lead to business success. (4 marks)

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

- 6 Identify **four** reasons that may influence a consumer to satisfy basic wants before secondary wants. (4 marks)

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



- 7 Jane is the personal secretary to the CEO of Mwangaza company. Outline **four** of her responsibilities in the company. (4 marks)

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

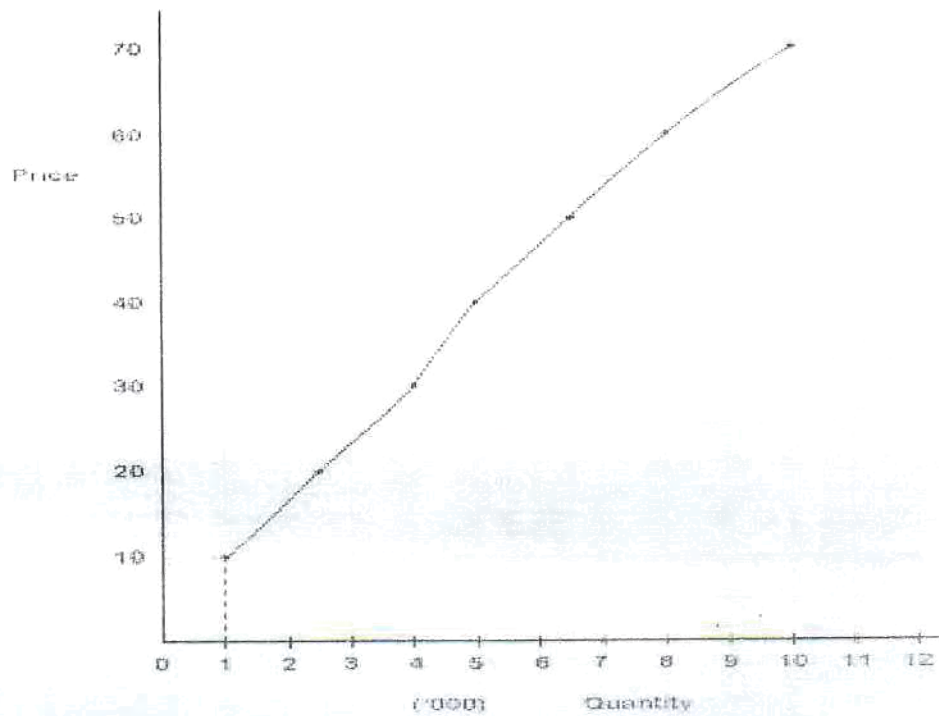
- 8 In the recent past, Kenya has been improving its infrastructure. Highlight **four** roads in the transport sector. (4 marks)

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





- 9 The following is the supply curve for product X in a week.



Using the supply curve provided, derive the supply schedule for product X.



10 Outline **four** demerits of government involvement in business in the country. (4 marks)

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

11 Sole traders prepared a balance sheet as at 31st December 2023. Highlight **four** uses of the financial report to the business.

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

12 Outline **four** factors that may lead to a favourable balance of payment for a country. (4 marks)

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



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

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

14 Identify the business units that match the description given in the following table. (4 marks)

	Description	Business unit
(a)	In the event of a member's death business has to be dissolved	
(b)	Can only start operating once it receives a certificate of incorporation	
(c)	Managed by a committee of nine members who are elected in an annual general meeting	
(d)	Formed by a minimum of seven members with no maximum membership	

15 Ubora Traders is operating an electrical shop and has introduced a new product in the market. Highlight **four** reasons why it may need to promote the new product. (4 marks)

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



16 State **four** internal sources of public finance.

(4 mark)

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

17 Highlight **four** factors that may facilitate a high rate of economic development.

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

18 The following are types of taxes: corporate tax, customs duty, estate duty and excise duty. Identify which type of tax matches each of the following statements.

(4 marks)

	Statement	Tax
a)	Tax levied on manufactured goods	
b)	Tax levied on wealth of a person after death	
c)	Tax levied on entry of goods into a country	
d)	Tax levied on profits of business enterprises	





Post the following information of a sales journal to the relevant ledger accounts. (4 marks)

Date	Details	Invoice No.	Folio	Amount (Sh.)
2023 Sept 1	Opondo	415	SL1	9,000
5	Hassan	416	SL2	6,500
10	Wanjiru	417	SL3	5,000
15	Opondo	418	SL1	2,000

s.  
rks)



20 Outline **four** benefits of trade to the economy of Kenya. (4 marks)

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

21 Mr. Mutweri, a principal of Mutito School wants to inform the parents on the upcoming prize giving day event at the school. State **four** factors he should consider on the means of communication to use. (4 marks)

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

22 State **four** external economies of scale that a firm may enjoy when operating on a large scale. (4 marks)

- (a) .....
- .....
- (b) .....
- .....



12  
11

- 25 (c) The following information was extracted from the books of Malisafi Traders on 30th April 2022.

	Sh.
(d) Details	
Purchases	260,000
Creditors	80,000
Motor vehicles	240,000
Sales	330,000
Debtors	90,000
Capital	300,000
(a) Cash at bank	20,000
Stock	100,000

- 23 A business involves itself in multiple transactions that require accounting in its daily activities. Identify four samples of such business transactions. (4 marks)

(b) Required:

Prepare Malisafi Traders Trial balance as at 30th April 2022.

(c)

(d)

- 24 Classify each of the following production activities as either primary, secondary or tertiary (4 marks)

Activity	Level of production
a) Quarrying	
b) Plaiting someone's hair	
c) Growing crops	
d) Constructing a house	
e) Transportation of raw materials	
f) Grinding maize	
g) Baking bread	
h) Teaching in a classroom	

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565/2



**BUSINESS STUDIES**

Paper 2

Nov. 2024 – 2½ hours

Candidate's signature: ..... Date: .....

**Instructions to Candidates**

- (a) Confirm that this question paper has your name and the correct index number.
- (b) Sign and write the date of the examination in the spaces provided above.
- (c) This paper consists of **six** questions.
- (d) Answer any **five** questions in the spaces provided after question 6.
- (e) All questions carry equal marks.
- (f) **Non-programmable silent electronic calculators may be used.**
- (g) **This paper consists of 16 printed pages.**
- (h) **Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**
- (i) **Candidates should answer the questions in English**

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Question	Maximum Score	Candidate's Score
	20	
	20	
	20	
	20	
	20	
<b>Total Score</b>	<b>100</b>	





Answer any **five** questions in the spaces provided after question 6.

- 1
  - (a) Guru, an entrepreneur wants his new products to reach the consumers. Explain **five** factors he would consider in choosing a distribution channel to use. (10 marks)
  - (b) Discuss **five** demerits of free trade to a country. (10 marks)
- 2
  - (a) Manji bought a car for business use. Describe **five** steps he will follow to obtain an insurance policy for the car. (10 marks)
  - (b) Kimali started transport business with one matatu. Over the years the number of matatus have increased to 40. Explain **five** factors that could have made his business to thrive. (10 marks)
- 3
  - (a) Explain **five** factors in the external environment that may positively influence the operations of a business. (10 marks)
  - (b) The following transactions relate to Mzabuni Traders for the month of November 2022

- Nov. 1: Started business with Sh. 20,000 in cash and a bank overdraft of Sh. 10,000
- 2: Purchases of Sh. 15,000 in cash
- 5: Ngonde a debtor settled his account of Sh. 15,000 by issuing a cheque of Sh. 12,000 and the rest by cash
- 7: Paid wages by cheque Sh. 4,000
- 8: Received cash from Oloo, a debtor of Sh. 3,500
- 9: Paid Warui, a creditor Sh. 5,000 in cash
- 12: Received a cheque of Sh. 7,250 from Maweu
- 15: Paid insurance Sh. 2,000 by cheque
- 16: Deposited Sh. 6,000 from the office till into the bank account
- 18: Purchased stock worth Sh. 9,500 by cheque
- 20: Received a cheque of Sh. 10,000 from Mawea
- 21: Paid Sh. 3,200 water bill in cash
- 24: Received Sh. 8,600 from Ngonde in cash
- 28: Paid rent Sh. 5,000 by cheque
- 30: Took all the cash and deposited into the bank account

Required:

Prepare a two-column cash book for the month of November 2022.

(10 marks)

