MARANDA HIGH SCHOOL

Kenya Certificate of Secondary Education

THE POST-MOCK II EXAMINATIONS, 2025

565/1 **BUSINESS STUDIES** **PAPER 1**

September, 2025 **TIME: 2 Hrs**

Name: ……………………………………….….…… Admission No: ………..……

Stream: ……………………………………………... Signature: ……….……........

Instructions to Candidates

(a) Write your name and index number in the spaces provided above.
(b) Sign and write the date of the examination in the spaces provided above.
(c) This paper consists of ***25*** *questions.*
(d) Answer ALL questions in the spaces provided
(e) This paper consists of ***10*** *printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing*
(f) Candidate should answer the questions in ***English***

FOR EXAMINERS'USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Questions	16	17	18	19	20	21	22	23	24	25
Marks										

TOTAL MARKS

Turn Over

1. Mention **four** ways in which government participates in training businesspersons in a country. (4 marks)

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2. State **four** factors that limit the satisfaction of human wants (4 marks)

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3. State **four** reasons why government draw their development plan (4 marks)

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4. Highlight **four** uses of national income statistics (4 marks)

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5. State **four** internal economies of scale that a firm can enjoy as its production increases. (4 marks)

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6. Land is one of the factors of production. Outline **four** circumstances under which it may discourage the location of firms (4 marks)

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7. Give **four** reasons why a manufacturing firm may offer after sale services to consumers. (4 marks)

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8. Tigen traders had the following balances as at 31st December 2012

Opening stock	ksh 800,000
Closing stock	ksh 1,000,000
Sales	ksh 3,250,000
Turn over	3 Times

Calculate:-

a) Cost of goods sold (2 marks)

b) Gross profit (2 marks)

8. List **four** activities carried at process of distribution (4 marks)

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9. The government of a developing country intend to formulate an elaborate policy to address the widespread unemployment. Identify **four** areas of concern that the policy should look into. (4 marks)

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10. Outline **four** monetary measures taken by the central bank to solve the problem of demand pull inflation (4 marks)

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11. Highlight **four** measures the state is putting in places to bring sanity in the matatu transport sector in Kenya (4 marks)

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12. Onyango intends to insure his motor vehicle with UAP insurance company. Outline the procedure he would follow to take the policy. (4 marks)

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13. Indicate with a tick **(√)** in the relevant column whether each of the following business transactions will Increase or decrease the capital account balance

	Transaction	**Increase**	**Decrease**
A	Cash donations of sh80,000 deposited into the business bank account		
B	Withdraw sh 2000 from bank personal use		
C	Made a profit of sh.3000		
D	The business made a loss of sh. 4000 on sale of stock		

14. List any **four** business considerations taken into account when carrying out business opportunity evaluation (4 marks)

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16. Outline **four** canons of taxation. (4 marks)

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17. Highlight circumstances under which the following chain of distribution are used (4 marks)

(a) Manufacturer → consumer

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(b) Manufacturer → retailer → consumer

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(c) Producer → marketing board → consumer

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(d) Manufacturer → agent → consumer

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18. State f**our** reasons why an entrepreneur would prefer a landscape type of office. (4 marks)

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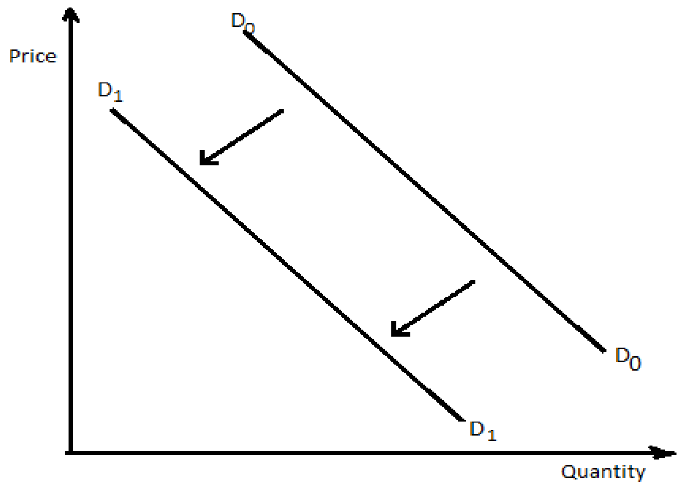
19. Highlight **four** factors that may have led to the shift in demand curve from D_0D_0 to D_1D_1 (4 marks)



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20. State **four** reasons why john would prefer to obtain a loan from his Sacco but not from a commercial bank (4 marks)

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21. Kilunya traders had the following transactions during the month of March 2010.

March 3: Sold goods to Waweru sh 800, Ken sh. 600 and Okwanya sh. 700

March 4: Bought goods from Uwezo sh.15000, Openo sh. 2000

March 6: Sold goods to Mayi sh. 1200, shirosh 1500, pakash 900

March 9: Sold goods to Luanda sh.400

Required

Enter the above transactions in the sales journal. (4 marks)

22. Outline **four** circumstances under which a public warehouse would be ineffective (4 marks)

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23. The following information was provided by Kisumu traders for the year ended 31^{st} December 2013

Stock	1500
Creditors	3000
Debtors	2000
Machinery	20,000
Bank overdraft	500
Cash	4,000

Required

Prepare Kisumu traders balance sheet in order of liquidity (4 marks)

24. Outline **four** factors that a citizen would consider while holding money for day to day expenses

(4 marks)

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25. Identify the accounts to be debited and accounts be credited from the following transactions (4 marks)

	Transactions	**A/C debited**	**A/C credited**
(a)	Bought stock on credit from Muthini		
(b)	Paid insurance premium by cheque		
(c)	Bought a van by cash		
(d)	Returned goods to supplier		