

**KENYA HIGH SCHOOL MOCK 2020**  
**BUSINESS STUDIES PAPER 1**

1. Outline four ways in which a good business structure is of benefit to a business organization (4 marks)
2. Outline four difficulties that would be faced by an individual in the satisfaction of human Wants (4 marks)
3. Highlight four characteristics of less developed economies (4 marks)
4. while holding all factors Constant apart from price (4 marks)
5. State four circumstances under which it may be appropriate to use personal selling as a form of a product promotion (4 marks)
6. K Ltd a manufacturing firm has been performing poorly in the recent past years. Highlight four measures that they can take to improve their profitability (4 marks)
7. State four functions of commercial attaches (4 marks)  
Give four reasons why some traders prefer to operate supermarket business (4 marks)
8. State four reasons why short message services(sms) is replacing letters as way of communication (4 marks)
10. Describe four channels used when importing commodities (4 marks)
11. State four circumstances under which a clerk may be employed to work in an Organization (4 marks)
12. Give four benefits that are likely to result from a modern railway network in the country (4 marks)

13. Outline four features of monopolistic Competition ( 4 marks)
14. State four merits of storing goods in a public warehouse ( 4 marks)
15. Give four benefits of business organizations maintaining a healthy environment ( 4 marks)
16. The table below shows description of different types of partners. Identify type of partners that match the description

Description	Type of partner
(a) Do not contribute capitals	
(b) Those whose private properties can be used to pay business costs	
(c) Do not participate actively in Management	
(d) Are above 18 years of age	

17. On 31<sup>st</sup> December 2013 KIU Traders had made a turnover of Sh. 80,000 for the year and closing stock of Sh. 10,000. If the business was working at a margin of 20%. Draw its trading account for the period ending 31<sup>st</sup> December 2013 ( 4 marks)
18. Mbutia insured her house against fire six months later the house was completely destroyed by fire. Outline the procedure that should be followed before compensation is made ( 4 marks)
19. Highlight four causes of balance of payment disequilibrium ( 4 mark)

20. The average consumer prices for a certain commodity for various years is shown in the table below

Year	Consumer price
2010	147
2011	153
2012	162
2013	172

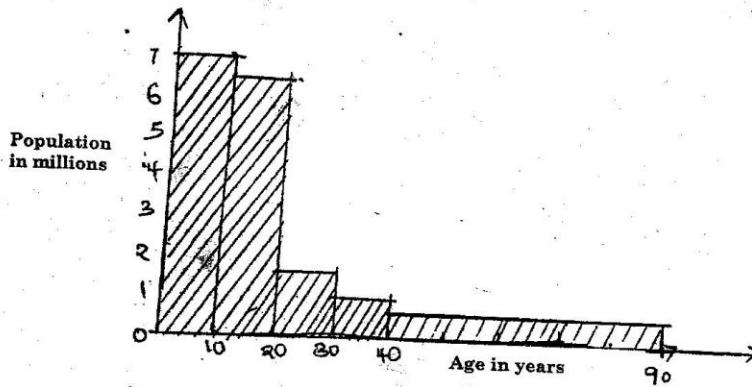
- Calculate the consumer price indexes using 2010 as the base year ( 4 marks)

21. Match the following description of errors made when keeping books of account

Description	Error type
a) Occurs when error is both the debit and-credit balances are of equal amount	
b) Occurs where a transaction is not Recorded at all in the books	
c) Occurs when entries are made in the Wrong class of amount	
d) Occurs where both the debit and Credit entries are made using similar But erroneous figure	

22. Give three reasons why the per capital income of a country may not change (3 marks)

23. The diagram below shows a population pyramid for a certain country (4 marks)



Give four challenges facing this country (4 marks)

24. Show the accounts to be debited or credited for the transactions

Transaction	A/c to debit	A/c to credit
a) Paid wages in cash		
b) Took business cash for private use		
c) Purchased office equipment on credit from Salo		