

Name:Adm. No.....

Date: Class:

565/1
FORM 3 BUSINESS STUDIES
PAPER 1
2022
TIME: 2 HOURS



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Kenya Certificate of Secondary Education (K.C.S.E.)

FORM 3 BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

- Write your **name** and your **Admission Number** in the spaces provided above.
- Write the **date** of examination and **class** in the spaces provided above.
- Answer **all** the questions in the spaces provided.
- All answers should be written in English.
- This paper consists of 9 printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

FOR EXAMINERS USE ONLY:-

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

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

TOTAL MARKS

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1. State 4 reasons that would make an individual engage in business (4marks)

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

2. State whether the following factors will affect the business environment internally or externally (4marks)

Factor	Effect
i) Competition
ii) Terrorism threat
iii) Human resource management
iv) Production capacity

3. Outline 4 characteristics of economic resources (4marks)

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

4. Outline types of utility and the production activity associated with each of them (4marks)

Utility	Production activity
i)
ii)
iii)
iv)

5. Highlight four ways in which the office facilitates effective handling of documents (4mks)

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

6. Outline 4 disadvantages of using automatic vending machine (4marks)

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

7. Outline 4 types of wholesalers (4marks)

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

8. State four reasons why there is increased use of mobile phones in banking (4marks)

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

9. State 4 reasons why a consumer may prefer buying goods from a supermarket to a small scale retail shop (4marks)

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

10. State 4 factors that a retailer would consider before allowing a customer to buy goods on credit (4marks)

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

11. State 4 documents that should be submitted to the registrar of companies for the purpose of registering a limited liability company (4marks)

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

12. Highlight 4 ways in which the government of Kenya may regulate her business activities (4marks)

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

13. Outline 4 features of an efficient transport system (4marks)

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

14. Highlight 4 factors that may render communication ineffective (4mks)

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

15. The table below contains descriptions relating to some types of warehouse. In the spaces provided, write the type of warehouse to which each description refers (4marks)

Description	Type of warehouse
a) Used to store exports & imports	
b) Operated for the owner's exclusive use	
c) Owned and operated by manufacturers and farmers	
d) Anybody can rent space in it for storing goods temporarily	

16. Outline 4 factors that may render communication ineffective (4marks)

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

17. State the appropriate insurance policy your school can take to cover each of the following risks

Risks	Policy
a) Losses arising from debtors failing to pay	
b) Injury caused to neighbour's health due to school's leaked sewer	
c) Loss of cash being delivered to the local bank	
d) To cover cooks from injuries that may occur to them in the kitchen	
e) Loss of money due to account's clerk dishonesty	

(5marks)

18. Outline 4 qualities of a good salesperson

(4marks)

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

19. State 4 ways that a trader may provide after sale service to his customers

(4marks)

- (i)
- (ii)
- (iii).....
- (v)

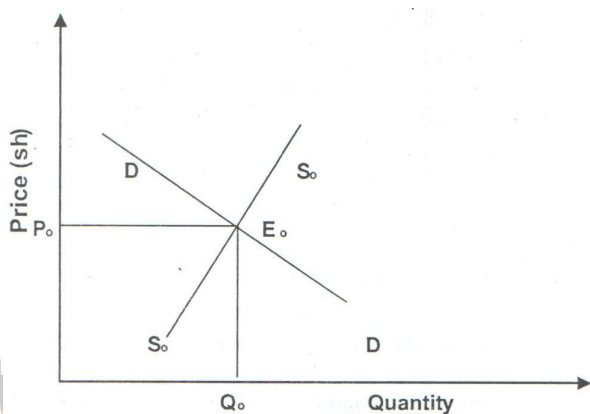
20. State 3 circumstances under which a trader would advertise his products over the radio instead of television (3marks)

(i)

(ii)

(iii).....

21. The diagram below shows the demand and supply curves of a certain commodity and the corresponding equilibrium price (P_e) and quantity (Q_e). On the diagram, show the new equilibrium quantity and price as a result of a decrease in the supply of the commodity. Write down your observation (4marks)



22. Highlight 4 dangers of locating firms in a central place (4marks)

(i)

(ii)

(iii).....

(iv).....

23. Outline 4 characteristics of a perfect competition market structure (4marks)

(i)

(ii)

(iii).....

(iv).....

24. Outline 4 channels that can be used to distribute locally manufactured goods (4marks)

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

25. Give 4 assumptions in a two sector economy circular flow of income (4marks)

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

Atika School