K.C.S.E 2023 BLUEPRINT PREDICTION

BUSINESS STUDIES PP2 10 QUESTION PAPERS



KCSE BLUEPRINT PREDICTION

BUSINESS STUDIES PP2

10 QUESTION PAPERS

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K.C.S.E BLUEPRINT PREDICTION
QUESTION PAPER NO: 1

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1. a. Explain five reasons why you would advise your friend against starting a sole proprietorship form of business **(10mks)**

b . Explain five measures that can be taken to reduce unemployment in a country **(10mks)**

2. a. Explain five advantages of non-verbal communication **(10mks)**

b. Explain five factors that have led to the survival of small scale retailers despite competitions from supermarkets **(10mks)**

3. a. Office equipments includes all the necessary office machines and office furniture .Explain five roles played by equipments in an office **(10mks)**

b. On November 2010,Sandra traders had cash in shs 87,000 and cash at bank 250,000.Durind the month,the following transaction took place

2010

Nov 2 :cash sale shs 50,000

Nov 3 : paid salaries shs 101,500 by cheque

Nov 6: Received a cheque of shs 76,800 from Wambua after allowing him a discount of 4 %

Nov 12 :bought office furniture by cheque shs 85,000

Nov 16:Settled katunge's account of shs 40,000 in cash having deducted shs 800 cash discount

Nov 18 :Received a cheque of shs 150,000 in respect of cash sales

Nov 21:Paid wages shs 24,000 in cash

Nov 22:Withdrew shs 5,000 csh for private use

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Nov 28 :Received shs 16,500 cash from Mochere in settlement of his account less shs 660 cash discount

Nov 30 :Deposited all the money into bank except shs 25,000

Prepaire a three colum cash book dul;y balance **(10mks)**

4. a. Explain five functions of commercial banks in Kenya **(10mks)**

b. Explain five reasons for the popularity of sea transport in Kenya's export trade **(10mks)**

5. a. Explain five uses of National income statistics **(10mks)**

b. Outline five factors that you woulkd consire when establishing a warehouse for imported goods **(10mks)**

6. a. Explain four criteria for determining the size of a firm **(8mks)**

. b. The following trial balance was extracted from the books of Bush traders on the 31st Dec 2012

Bush Traders

Trial Balance

	Dr	Cr
Sales		720,000
Purchases	340,000	
Returns	20,000	18,000
Rent	16,000	
Advertising	24,000	
Commision		9000
Deptors	54,000	
Creditors		64,000
Stock(1/1/2012	60,000	
Insuarance	30,000	
Drawings	40,000	
Furnitures /fittings	100,000	
Cash in hand	15,000	
Premises	400,000	
Capital		288,000
	1,099,000	1,099,000

Additional information

i) Stcok as at 31st Dec 2012 ,shs 52 000

Required

a. prepaire trading profit a gross account for the year ended 31st Dec 2012

b. calculate

i) Gross profit margin

ii) The rate of stock turn over **(12mks)**

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QUESTION PAPER NO: 2

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1.(a) Explain **five** measures put in place by the government to bring order in road transport sector in Kenya today. **(10mks)**

(b) Explain **five** reasons why per capita income is not a good indicator of standards of living. **(10mks)**

2.(a) On 1st November 2013:Tabagon Co. Ltd. had a balance of shs. 12,000 at the bank and shs. 2500 in hand. During the month, the following transaction took place;

Nov. 1 Cash sales Shs. 2500, cash purchase Shs. 1750
Nov. 3 Paid the following accounts by cheque.
Kirop Shs. 1500 less 5% cash discount
Kirui Shs. 2000 less 5% cash discount
Nasimiyu shs. 2100 less 3 % cash discount
Nov. 5 Received the following amounts from debtors Ondiek shs. 1200, Jane shs. 3850 and Mueni by cheque shs. 2050 after allowing her shs. 300 cash discount.
Nov. 14 Paid office cash to the bank shs. 2000
Nov. 17 Cash sales 8500
Nov. 22 Mueni paid her account of shs. 5000 by cheque less 10% cash discount
Nov. 28 Withdrew all the money from the bank for office use except shs. 1000
Nov. 29 Paid salary cash shs. 8000

Prepare Tabagon Co. Ltd. three column cash book. **(10mks)**

(b) Describe the procedure of obtaining an insurance claim. **(10mks)**

3. (a) Explain the meaning of the following terms as used in business ownership. **(10mks)**

(i) Franchising
(ii) Merger
(iii) Holding company
(iv) Front Office Savings Account (FOSA)
(v) Globalization

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(b) Explain **five** features of a hypermarket. **(10mks)**

4.(a) Explain **five** emerging issues in office practice today. **(10mks)**

(b) Explain **five** reasons that account for the existence of small firms in an economy. **(10mks)**

5.(a) Explain **five** ways in which communication enhances trading activities. **(10mks)**

(b) Highlight **five** factors that facilitate entrepreneurial development in an economy. **(10mks)**

6.(a) The following trial balance was extracted from the ledgers of Gathioro's mobile phones business for the year ended 31st Oct 2013.

Gathioro's mobile phones
Trial Balance
As at Gathiro's 31st Oct 2013

Details	Dr. (Shs)	Cr. (Shs)
Sales		855,000
Purchase	420000	
Sales returns	12000	
Purchase returns		20000
Creditors		165000
Debtors	63000	
Motor vehicle	480000	
Cash in hand	65000	
Furniture	190000	
Carriage inwards	14000	
Stock	280000	
Capital		626250
Drawing	88000	
Telephone	6400	
Insurance	8200	
Postage	3850	
Rent	19600	
Discounts received		4000
Advertising	12900	
Discount allowed	7300	
	1670250	**1670250**

On 31st Oct. 2013, the business had closing stock valued at Shs. 60,000

Required

(i) The trading, profit and loss a/c for the year ended 31st Oct 2013. **(8mks)**

(ii) A balance sheet as at that date. **(4mks)**

(b) Explain **five** services rendered by the Central Bank to the government. **(10mks)**

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QUESTION PAPER NO: 3

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1.(a) Explain any five components of a business plan. **(10mks)**

(b) Explain five ways in which commercial banks facilitate payments for their customers. **(10mks)**

2.(a) With the aid of diagrams, distinguish shift in supply curve from movement along supply curve. **(10mks)**

(b) Discuss the benefits that Mr. Kamau would derive from being a member of Mwalimu savings and credit cooperative society. **(10mks)**

3. (a) Explain any five types of unemployment**.** **(10mks)**

(b) Outline five factors to take into consideration when planning an office layout. **(10mks)**

4(a) Outline five benefits that accrue to a customer who uses Automated teller Machines (ATMs) **(10mks)**

(b) Outline five measures that the government of Kenya has put in place to protect consumers from unscrupulous business people. **(10mks)**

5.(a) Highlight five differences between a public warehouse and a private warehouse**.** **(10mks)**

(b) Nakuru traders had the following summary of transactions during the month of February 2014.

Invoices received

Feb 4	Peruti stores	sh.80000
Feb 6	Mwanaki	sh.140000
Feb 15	Rurago stores	sh.160000
Feb 28	Juma	sh.40000

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Credit notes issued

Feb 16 Jirani Traders sh.5, 000

Feb 18 Maya Traders sh. 3,000

Feb 30 Omega Stores sh.4, 000

Invoices issued

Feb 5 Jirani Traders sh.35, 000

Feb 10 Maya Traders sh. 40,000

Feb 15 Omega Traders sh.25, 000

Required.

Prepare the relevant journals. **(10mks)**

6.(a) Explain five reasons that would lead a company to undertake market research before production.

(10mks)

(b) The following Trial balance was extracted from Vumilia traders as at 31st December 2014

	Dr.	Cr.
Capital		125,000
Purchases	45,000	
Carriage on sales	2,000	
Stock	25,000	
Sales		120,000
Carriage on purchases	1,200	
Insurance	5,900	
Salaries	12,450	
Discount allowed and received	3,400	1,950
Debtors and creditors	25,000	15,500
Bank	14,500	
Machinery	128,000	
	262,450	262,450

Additional information;

- Closing stock 25,000

Required; (i) Trading profit and Loss account. **(7mks)**

(ii) Balance sheet as at 31st Dec 2014. **(3mks)**

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QUESTION PAPER NO: 4

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1. a) Explain **five** benefits that would accrue to Country as a result of delocalization**.** **(10mks)**

b) Explain **five** features of a perfect competition market structure **(10mks)**

2. a) The following transactions relate to Vivylex wholesalers for the month of December 1998.

1998

Dec. 1 Bought goods on credit from Weka Distributors sh.46,200, Micko sh15,600 and Limo shs38,360.

3 Sold goods on credit to Lwanda Retailers shs.39,200, Motor Grocers sh.25,560 and Mawe shs.12,650.

7 Returned goods to Micko sh4,200 and Limo shs6,140.

11 Bought goods on credit from Tuktuk sh34,830.

12 Goods returned by motor Grocers hs4,550 and Lwanda Retailers sh1,280.

15 Sold goods on credit to Motor Grocers shs6,800, Marion traders shs12,800.

18 Goods returned by Marion Traders shs2,060.

22 Bought goods on credit from Fatuma shs22,100, Temo shs38,350.

28 Credit sales to Ngula shs16,060, Oyunga shs12,960 and Mawe shs15,260.

Enter the above transaction in the respective books of original entry **(10mks)**

b) Discuss **five** factors that enhances efficient running of a warehouse. **(10mks)**

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3. a) Explain **five** negative effects of inflation to a country's economic development. **(10mks)**

b) Highlight **five** importance of entrepreneurship to the economy of a country. **(10mks)**

4.a) Explain **five** factors that can lead to unfavourable balance of payment. **(10mks)**

b) Explain **five** factors to be considered when choosing a method of product promotion **(10mks)**

5.a) Describe **five** procedure to be followed when taking an insurance policy. **(10mks)**

b) Explain **five** limitations of containerization in transport sector. **(10mks)**

6. a) Highlight **five** benefits that a country will enjoy as a result of indirect production(10mks)

b)The following trial balance was extracted from the books of Mugoya Traders as at 30th June, 2014

Mugoya Traders

Trial balance

As at 30th June 2014

Details	**Dr** (shs)	**Cr** (shs)
Premises	1,500,000	
Debtors and creditors	20,000	30,000
Cash at bank	90,000	
Cash in hand	10,000	
Purchases and sales	140,000	320,000
Stock of good on 1st July 2013	45,000	
Discounts	6,000	2,000
Salaries and wages	50,000	
Commissions		8,000
Power and lighting	12,000	
Returns	15,000	19,000
Carriage outwards	2,300	
Carriage inwards	5,400	
Capital		1,543,700
Furniture	27,000	
	1,922,700	**1,922,700**

Additional information

Stock of goods on 30th June, 2014 was worth sh22, 000.

Required: prepare trading, profit and loss account for the period ended 30th June, 2014**.** **(10mks)**

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QUESTION PAPER NO: 5

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1. (a) Explain **five** measures put in place by the government to bring order in road transport sector in Kenya today. **(10mks)**

(b) Explain **five** reasons why per capita income is not a good indicator of standards of living. **(10mks)**

2.(a) On 1st November 2013:Tabagon Co. Ltd. had a balance of shs. 12,000 at the bank and shs. 2500 in hand. During the month, the following transaction took place;

Nov. 1 Cash sales Shs. 2500, cash purchase Shs. 1750
Nov. 3 Paid the following accounts by cheque.
Kirop Shs. 1500 less 5% cash discount
Kirui Shs. 2000 less 5% cash discount
Nasimiyu shs. 2100 less 3 % cash discount
Nov. 5 Received the following amounts from debtors,
Ondiek shs. 1200, Jane shs. 3850 and Mueni by cheque shs. 2050 after allowing her shs. 300 cash discount.
Nov. 14 Paid office cash to the bank shs. 2000
Nov. 17 Cash sales 8500
Nov. 22 Mueni paid her account of shs. 5000 by cheque less 10% cash discount
Nov. 28 Withdrew all the money from the bank for office use except shs. 1000
Nov. 29 Paid salary cash shs. 8000
Nov. 30 A cheque received from Mueni on Nov. 5th was dishonoured.
Prepare Tabagon Co. Ltd. three column cash book. **(10mks)**

(b) Describe the procedure of obtaining an insurance claim. **(10mks)**

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3. (a) Explain the meaning of the following terms as used in business ownership. **(10mks)**

(i) Franchising
(ii) Merger
(iii) Holding company
(iv) Front Office Savings Account (FOSA)
(v) Globalization

(b) Explain **five** features of a hypermarket. **(10mks)**

4.(a) Explain **five** emerging issues in office practice today. **(10mks)**

(b) Explain **five** reasons that account for the existence of small firms in an economy. **(10mks)**

5.(a) Explain **five** ways in which communication enhances trading activities. **(10mks)**

(b) Highlight **five** factors that facilitate entrepreneurial development in an economy. **(10mks)**

6.(a) The following trial balance was extracted from the ledgers of Gathioro's mobile phones business for the year ended 31st Oct 2013.

Gathioro's mobile phones
Trial Balance
As at Gathiro's 31st Oct 2013

Details	Dr. (Shs)	Cr. (Shs)
Sales		855,000
Purchase	420000	
Sales returns	12000	
Purchase returns		20000
Creditors		165000
Debtors	63000	
Motor vehicle	480000	
Cash in hand	65000	
Furniture	190000	
Carriage inwards	14000	
Stock	280000	
Capital		626250
Drawing	88000	
Telephone	6400	
Insurance	8200	
Postage	3850	
Rent	19600	
Discounts received		4000
Advertising	12900	
Discount allowed	7300	
	1670250	**1670250**

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On 31st Oct. 2013, the business had closing stock valued at Shs. 60,000

Required

(i) The trading, profit and loss a/c for the year ended 31st Oct 2013. **(8mks)**

(ii) A balance sheet as at that date. **(4mks)**

(b) Explain **five** services rendered by the Central Bank to the government. **(10mks)**

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QUESTION PAPER NO: 6

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BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1. (a). Explain **five** external factors that an entrepreneur need to consider when evaluating a business opportunity. **(10mks)**

b). Explain **five** ways of controlling cost push inflation. **(10mks)**

2. a). Outline **five** differences between a partnership and a cooperative forms of business units. **(10mks)**

b). Explain **five** positive implications of overpopulation to a country**.** **(10mks)**

3. a). Describe **four** documents that are sent to the seller by the buyer in home trade. **(8mks)**

b). The following balances were extracted from the books of Tree Top Enterprises as at 30th June, 2016.

	Shs
Sales	400,000
Stock (1st July, 2015)	5,000
Stock (30th June, 2016)	8,000
Discount received	13,000
Discount allowed	6,000
Insurance premium	4,000
Premises	300,000
Fixtures and fittings	200,000
Carriage inwards	7,000
Carriage outwards	3,000
Bank loan	23,000
Bank overdraft	50,000
Creditors	30,000
Cash in hand	10,000

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Debtors	12,000
Drawings	14,000
Capital	340,000
Gross profit margin	25%

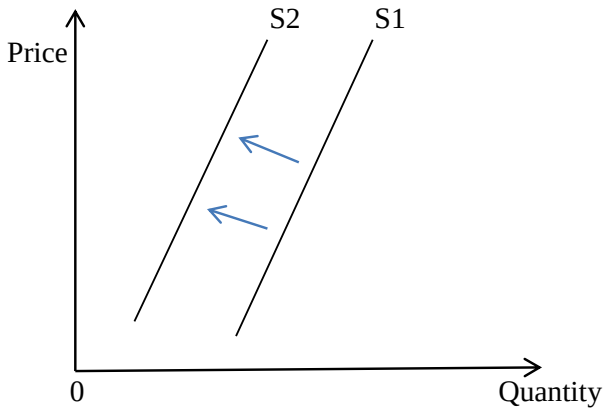
Prepare;

i) Tree top Enterprises profit and loss account for the year ended 30th June 2016. **(4mks)**

ii) Tree Top Enterprises Balance sheet as at 30th June 2016. **(8mks)**

4. a). Outline **five** benefits to a businessman who operates a bank current account. **(10mks)**

b). The diagram given below shows changes in the supply curve. **(10mks)**



Explain **five** factors that may have led to the change from S1S1 to S2S2. **(10mks)**

5. a). Explain **five** limitations of using billboards as medium of advertising. **(10mks)**

b). Outline **five** advantages that may accrue to a firm as a result of increase in its output. **(10mks)**

6. a). Explain **five** trends in international trade. **(10mks)**

b). Sironik traders started business on 1st July 2015withSh 50,000 cash and sh 40,000 in the bank.

During the month the following transactions took place.

2015.

July 2: Bought stock for Sh50,000 by cheque.

8: Sold goods for Sh 15,000 cash

15: Took goods worth Shs 5,000 for his son's birthday party

22: Bought an office computer on credit from Munene Tech for Shs 69,000.

30: Paid wages Sh 10,000 cash.

Required.

Record the above information in the relevant ledger accounts, balance them off andextract a trial balance as at 31st July, 2015. **(10mks)**

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QUESTION PAPER NO: 7

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BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

SECTION A

1. (a) Explain five ways in which insecurity negatively affects running of business activities in Kenya.

(10mks)

(b) Explain five reasons why mobile banking services are becoming increasingly popular in Kenya.

(10mks)

2. (a) The table below shows the trends in inflation rates in a country

Year	inflation rates
2010	7%
2011	15%
2012	21%

Explain four causes that would have triggered the increasing inflation trends in the country**(8mks)**

(b) The following trial balance was extracted from the books of Goldmine Traders as at 31st December, 2014.

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Goldmine Traders

Trial Balance

As at 31st Dec, 2014

	Debit Shs.	**Credit shs.**
Sales		1,200,000
Purchases	500,000	
Carriage inwards	30,000	
Carriage outwards	15,000	
Returns	40,000	50,000
Discounts	35,000	20,000
Commission	10,000	17,000
Rent Expense	100,000	
Salaries	450,000	
Capital		1,363,000
Land and Buildings	2,600,000	
Furniture	100,000	
Stock (1st Jan 200 9)	600,000	_____
	2,665,000	2,665,000

(a) Depreciation is to be charged at 5% p.a on furniture

(b) Rent prepaid Kshs 10,000

(c) Salaries accrued Kshs.15,000

(d) Closing stock Kshs.200,000

Required: Prepare a trading and profit and loss account for the year ended 31st December 2014 **(12mks)**

3. (a) Outline six differences between oligopoly market and perfect competition market situations **(12mks)**

(b) Explain four elements that constitute Micro-environment of a business **(8mks)**

4. (a) Highlight five ways of preparing goods for sale in a warehouse **(10mks)**

(b) Record the following transactions in a double column cash book **(10mks)**

2011

Sept.1 Cash in hand Ksh.11, 000 and cash at bank Ksh. 18, 8000

Sept.4 Sold goods for Ksh 5,000 cash

Sept. 6 Received a cheque from Mercy, a debtor, Ksh 5,800

Sept.7 Deposited Ksh.8000 into the Bank from the cash till

Sept.10 Ochieng' a creditor, was paid ksh 12,000 by cheque.

Sept.12 Goods were sold for ksh 24,000 and ksh 16,000 was received by cheque while the balance was to be received later

Sept.15 Furniture was bought for ksh 9,600 by cheque

Sept.18 Ksh 12,000 was withdrawn from bank for business use.

Sept.21 Bought goods worth shs 22000 and sh,2800 paid by cheque and the rest by cash

Sept.29 Cash shs. 4800 paid to Ambulwa, a creditor.

5. (a) With the help of a diagram ,describe excess supply and excess demand **(10mks)**

(b) Explain five principles of insurance **(10mks)**

6. (a) Explain five importance of entrepreneurship to the economy **(10mks)**

(b) Explain five measures that may be taken by the government to promote the volume of exports **(10mks)**

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QUESTION PAPER NO: 8

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BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1. (a) Explain five principles of insurance.

(b) Study the following table of the demand and supply of product x.

Period 2010	Price / units	Qtn dd / units
July	Shs 300	500
August	Shs 300	400
September	Shs 300	200
October	Shs 300	80
November	Shs 300	50

Explain five factors that may have led to the trend above.

2. (a) Giving the types of unemployment, state the causes of the remedies.

(b) You are a sales executive with a local bank. Describe five steps that you must follow when sent to the field to promote the products of the bank. **(10mks)**

3. (a) Discuss five reasons why a country's economy is showing slow increase in their National Income **(10mks)**

(b) Explain five problems that are likely to face the process of implementation of well-prepared economic development plans **(10mks)**

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4. (a) On 1st June 2015, Ndovu Traders had cash in hand of sh.25,000 and sh.56,200 at bank.

During the month, the following transactions took place:

2015

June 2 Cash sales, sh.42,000.
June 5 Received a cheque of sh.70,500 from Kiptala Traders after deducting at 6% cash discount.
June 8 Paid salaries, sh24,000cash.
June 9 Yegon settled his account of sh.45,000 in cash and was allowed sh.l,800 cash discount.
June 12 Cash sales sh46,500.
June 18 Paid Tuitoek's debt of sh.l00,000 by cheque after deducting 5% cash discount.
June 24 Withdrew sh.26,000 from the bank for office use.
June 30 Banked all the cash except sh.25,000.

Prepare a 3-column cashbook and balance it off on 30th June, 2015**.** **(10mks)**

(b) Explain **five** factors that may hinder effective communication in an organization. **(10mks)**

5. (a) Explain **five** factors that influence the choice of a product to produce. **(10mks)**

(b) Discuss **five** errors that may not be noticed in a trial balance. **(10mks)**

6. (a) Discuss **five** canons of public expenditure. **(10mks)**

(b) The following information was extracted from the books of Umeme Traders as at 31st December 2009.

	Shs
Bank loan	567,000
Bank loan interest	1,440
Capital	1,680,000
Closing stock	87,000
Creditors	272,400
Debtors	140,280
Discount allowed	170,400
Electricity	30,240
Furniture	489,804
Furniture repairs	86,436
Gross profit	624,720
Maintenance on premise	72,000
Motor vehicle	1,080,000
Motor vehicle maintenance	360,000
Premise	648,000
Rent received	144,000
Sundry expenses	122,520

Prepare:

(i) Profit and loss account for the year ended 31st December 2009.

(ii) Balance sheet as at 31st December 2009. **(10mks)**

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K.C.S.E BLUEPRINT PREDICTION
QUESTION PAPER NO: 9

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

1.(a) Kibugi Wholesalers intends to construct a warehouse. Explain **five** measures that Kibugi wholesalers should take to ensure smooth functioning of the warehouse. **(10mks)**

(b) Explain **five** ways in which commercial banks facilitate payment on behalf of their customers. **(10mks)**

2.(a) Your school intends to place an order with Elimu Company limited for the supply of some urgently required laboratory equipment. Explain **five** reasons why it would be advisable for the school to use e-mail instead of telephone when placing the order. **(10mks)**

(b) Most third world countries have been experiencing inflation. Explain **five** negative effects of inflation in the countries. **(10mks)**

3.(a) Country X is experiencing high levels of unemployment. Explain **five** measures that she may take to solve the unemployment problems. **(10mks)**

(b) Explain **five** advantages of buying goods on hire purchase terms. **(10mks)**

4.(a) Karoki a newly employed Clerk has been assigned the task of filing documents. Explain to him **five** characteristics he should consider when choosing a filing system. **(10mks)**

(b) Using a diagram illustrate the effects of a positive shift of a demand curve on the equilibrium point, price and quantity. **(10mks)**

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5.(a) Explain **five** circumstances under which a manufacturer would prefer to sell his products direct to consumers instead of selling through middlemen. **(10mks)**

(b) The headline for yesterday's newspaper was "Mwangaza company limited has been dissolved!" Explain **five** circumstances that could have led to the dissolution. **(10mks)**

6.(a) Explain any **five** reasons why the government and other organizations are engaged in consumer protection. **(10mks)**

(b) The following trial balance was extracted from the books Mzalendo traders on 30th April 2005.

	Dr(shs)	**Cr(shs)**
Sales		115,560
Stock 1/5/2004	37,760	
Carriage outwards	3,260	
Carriage inwards	2,340	
Return inwards	4,400	
Return outwards		3,550
Salaries	24,470	
Electricity	6,640	
Rent	5,760	
Sundry expenses	12,020	
Equipment	24,000	
Furniture	6,000	
Debtors	45,770	
Creditors		30,450
Bank	38,760	
Cash	1,200	
Drawings	20,500	
Capital		128,440
	348,440	**348,440**

Stock at 30th April 2005 was 19,980

Required:

Prepare: (a) Trading, profit and loss account for the year ended 30th April 2005. **(10mks)**

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NAME: ……..……..……..……..

SCHOOL: ……..……

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K.C.S.E BLUEPRINT PREDICTION

QUESTION PAPER NO: 10

565/1
BUSINESS STUDIES
PAPER 2
TIME: 2 Hours

SECTION A

1.a Explain **five** characteristics of underdeveloped countries. **(10mks)**

b) Discuss **five** measures that can he used to reduce unemployment in Kenya. **(l0mks)**

2.a) Explain **five** ways in which the central bank regulates the operations of commercial banks in Kenya. **(10mks)**

b) Explain **five** roles played by insurance industry in promoting the Development of Kenya economy **(10mks)**

3.a) Highlight **four** roles of Nairobi stock exchange as a market for securities. **(l0mks)**

b) During a trader s workshop, a speaker presented a speech on ethical issues in business. Highlight some ethical issues that he may have raised affecting business **(l0mks)**

4.a) Discuss **five** benefit of filing office document to an organization. **(l0mks)**

b) Explain **five** benefits that a country derives from transporting oil through pipeline. **(l0mks)**

5.a) Savings and credit cooperative have been registering an increasing number of members Explain **five** reasons for such a development. **(10mks)**

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b) The following Trial balance was extracted from NDOLO'S STOPES on 31st Dec 2009.

	Dr	Cr.
Capita		250.000
Stock	25,000	
Machinery	250,000	
Motor vehicles	87, 000	
Sale		6 00.000
Returns inwards	40,000	
Returns outwards		20,000
Discount received		5,000
Carriage inwards	2,000	
Carriage outwards	3000	
Bad debts (written off)	80,000	
General expenses	88,000	
Debtors	1 8,000	
Creditors		49,000
Rent	1,000	
	954,000	954,000

Additional information:

Closing stock was value at sh. 22.000

Prepare NDOLOs STORES: trading. Profit and loss account for ending 3 1/12/2009.

6.a) The income approach in one of the methods used to measure the national income of the Country.

Explain four types of income in included the approach. **(8mks)**

b) On 1st June 2009, **MuIi ENTERPRISES** had cash hand sh. 87,000 and cash at bank sh 250, 000.

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During the month, the following transactions took place.

June: 2 sales (cash sh. 50,000

3. Paid salaries sh 101,5000 by cheque.

6. Received a cheque for sh .76, 800 from Mwelu after allowing her cash discount of 4%

I 2, Bought office furniture by cheque sh. 85,000

16. Settled Musau's account of shs 40.000 in cash, having deducted sh 8000 cash discount.

1 8. Received a cheque for shs 150. 000 in respect of cash sales.

2 1. Paid wages shs 24.000 in cash.

22. Withdrew". shs 30,000 from bank for office use.

25. Withdrew shs 5,000 cash for private use.

28. Received khs k16500 cash f rom Kasiva in settlement of her account less shs 660 cash discount.

June 30, deposited all the money into bank except shs 25,000

Prepare a three column cash book and balance it off. **(l2mks)**

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