PAPER 2 GIANT SERIES Q
10 TRIAL



[FLASH EXAMINERS DESK]
FOR ANSWERS CALL 0743241064

TRIAL 1

565/2 BUSINESS STUDIES Paper 2

2 ½ hours

Name ……Index No……..……

Date…… Candidates 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) *Answer **any Five** the questions in the spaces provided in the question paper.*
d) This paper consists of 3 printed pages.
e) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
f) Candidates should answer the questions in English.

FOR EXAMINERS' USE ONLY

1	
2	
3	
4	
5	
6	

1. a.
   Explain **five** Office etiquette expected of office worker. (10 marks)

   b. Describe **five** types of unemployment. (10 marks)

2. a. Explain **five** differences between sole proprietorship and public limited company. (10 marks)

   b. The following trial balance was extracted from the books of Kiliku Enterprises on 31 December 2009.

Account Title	**Dr.**	**Cr.**
	Sh.	Sh.
Gross profit		440,000
Capital		1,530,000
Furniture	900,000	
Land	600,000	
Advertising	40,000	
Bank overdraft		100,000
Cash	340,000	
Stock	140,000	
Creditors		130,000
Debtors	180,000	
	2,200,000	**2,200,000**

Additional information:

i. The gross profit of Kiliku Enterprises average at a margin of 20%
ii. Stock on 1st January, 2009, was valued at Sh. 104,000.

Calculate:
i) Cost of sales
ii) The value of purchases
iii) Rate of stock turnover
iv) Working Capital.

v) Current ratio (10 marks)

3. a. Explain **five** factors that may limit the effectiveness of a warehouse. (10 marks)

   b. Explain **five** reasons for maintaining books of original entry. (10 marks)

4. a. Explain **five** factors that Siaya county government may consider before incurring any expenditure. (10 marks)

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

5. a. Explain **five** benefits that Kenya may enjoy by being a member of African Development Bank (AfDB). (10 marks)

   b. Explain **five** benefits that an organisation may enjoy by preparing a business plan. (10 marks)

6. a. Explain **five** reasons that accounts for the continued use of handcarts as a means of transport in Kenya. (10 marks)

   b, Baraka started a business on 1st January 2023 with sh.15,000 in cash and sh. 130,000 in bank.
   The following transactions took place during the month:

   January 2023-

2	Cash purchases sh, 70,000
4	Paid rent sh. 10,000 in cash
10	Cash sales paid directly into the bank sh. 64,000
13	Deposited sh.50,000 into the bank from cash till
17	Paid wages in cash sh.4,000
19.	Bought furniture for sh.36,000 paying sh.27,000 by cheque and the balance was to be paid later
20	Received sh.16,000 cash from a customer
23	Bought goods for sh. 190.000 by cheque
28	Received a loan of sh.210,000 from Maria in cash
30	Deposited all cash into the bank except sh.8,000

   Required; Prepare a single column cash book duly balanced. (10 marks)

TRIAL 2

NAME……..INDEX NO:……..

SCHOOL……DATE……

CANDIDATE SIGNATURE……..

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

565/2
BUSINESS STUDIES

BUSINESS STUDIES PAPER 2

TIME 2 ½ HOURS

INSTRUCTIONS TO CANDIDATES

INSTRUCTIONS TO CANDIDATES

a) *Write your name, and Index number in the spaces provided above*
b) *Sign and write the date of examination in the spaces provided above*
c) *This paper consists of **Six** questions.*
d) *Answer **any five** questions in the spaces provided after questions 6.*
e) *All questions carry equal marks*
f) Candidates should answer the questions in English.
g) This paper consists of 3 printed pages, candidates should check to ascertain that all pages are printed as indicated and that no question is missing.

For Examiner's Use only

Question	Maximum Score	Candidates Score
	20	
	20	
	20	
	20	
	20	
	TOTAL SCORE	

1. a) Describe the procedure of making an insurance claim.
(10marks)

b) Outline five factors to consider when selecting means of reproducing documents.
(10marks

2 .a) Explain five disadvantages that a developing country may suffer by liberalizing foreign trade
(10marks)

b) Explain five factors that may hinder economic development in Kenya.
(10marks)

3. a) Explain four resources found in a business enterprise.
(8marks)

b) Mworia limited operates a whole sale business. During the month of March 2023, the company carried out the following transactions;

March 1 Credit sales to Mwikali and Njeri were shs. 200,000 and shs.180, 000 respectively.

March 2 Credit purchases from chebet shs.150, 000 wanbui shs, 700,000, Alfred shs.185,000.

They also paid advertisement expenses by cash sh.48, 000.

March 5 Credit sales to Abdallah shs.175, 000,Mwangi shs.320,000 and Mwikali shs.135,000

March 8 Goods returned by Mwikali shs. 2, 800 and Njeri shs. 3,100

March 12 Goods returned by Mworia Limited to Chebet shs. 30,000 and Alfred shs.25, 000

March 27 Paid Wambui her debt in cash after deducting a cash discount of 5%

March 28 Receive rent of shs.5, 200

March 29 Sold goods on credit to Njeri shs. 220,000 and Phiniah shs.150, 000

March 30 Goods returned by Phiniah shs.2, 300

Required:

From the information given, prepare

a) Sales journal

ii) Sales returns journal
(12marks)

4. a) Explain five forms of economic integration.
(10marks)

b) Describe five channels of distribution that Hannan manufacturer's ltd can use to distribute their products in Kenya

5 . a) The following transactions were extracted from the books of Memsi Traders on 1st January 2023

	shs
Capital	600,000
Creditor	180,000
Motor van	200,000
Furniture	200,000
Stock	60,000
Debtors	80,000
Cash	240,000

The following transactions took place during the year ended 31st January 2023

i. Sold furniture worth sh. 60,000 for which sh.40,000 Cash was received and the balance was due at the end of the month.
ii. Purchased goods worth sh.100,000 for which cash of shs.70,000 was paid and the balance was still outstanding at the end of the month
iii. Cash of shs. 10,000 was taken from the business by the proprietor for personal use

Required: Prepare Memsi's balance sheet as at 31st January 2023
(10marks)

b) Distinguish between perfect competition market structure and oligopolistic market structure.
(10marks)

6. a) In the recent past celebrities and other social influencers have been instrumental in promoting products over the TIK TOK social media platform. Explain five benefit that business enterprise may enjoy by using social media platform in sales promotion.
(10marks)

b) Explain five purposes of public finance.
(10marks)

TRIAL 3

NAME: ……...INDEX NUMBER: ……

ADM. NO.: ……SIGNATURE: ……..DATE: ……

565/2

BUSINESS STUDIES

Paper 2

TIME: 1 HR

(Kenya Certificate of Secondary Education)

BUSNESS STUDIES

Paper 2

Instructions

- Write your name, Index No. , signature and date in the spaces provided above.
- Answer any five questions in the foolscaps provided.

FOR EXAMINER'S USE ONLY

1a	b	2a	b	3a	b	4a	b	5a	b	6a	b

TOTAL

1. (a) Explain any five accounting documents used in home trade. (10marks)

   (b) Discuss five negative effects of inflation in the economy of Kenya. (10marks)

2. (a) Discuss five factors that will make two people wishing to take a life assurance policy to pay different premiums. (10marks)

   (b) Explain five reasons why small firms continue to exist in an economy dominated by large scale firms. (10marks)

3. (a) Alukumu would wish to import a V8 car from Japan discuss five possible channels of distributing the car. (10marks)

   (b) The following balances were extracted from Wakasungula's traders. Cash at hand sh. 180,000and cash at Bank sh. 67,000 at 1st January.

   Jan. 2: Cash sales directly banked sh. 34,500

   3: Cash taking of sh. 20,000

   4: Purchased goods on credit from Sagini sh. 30,000 Pesh. Sh. 25,000 and Cosmo sh. 38,000

   5: Sagini and Pesh returned faulty goods worth sh. 10,000 each.

   6: Sharlet a debtor paid cash sh. 30,000 in full settlement of the debt after being allowed a 10% discount.

   8: Paid the following accounts by cheque after deducting 5% in each case: Sagini sh. 15,000, Pesh sh. 10,000 and Cosmo sh. 30,000

   9: Received a cheque from debtor sh. 20,000

   10: Too cash to the bank sh. 32,000.

   12: Paid salaries sh. 10,000 in cash and sh. 37,000 by cheque.

   20: The cheque received on 9th was dishonored and there were bank charges of sh. 2,200.

   29: Withdrew sh. 20,000 from bank for her daughter's medication.

   30: Deposited all the cash to the bank except sh. 2,000

Required:

Prepare a duly balanced three column cash book. ***(10marks)***

4. (a) Explain any five roles of the Nairobi securities exchange market. (10marks)

   (b) Explain five factors why the National income statistics

5. (a) Explain five ways in which the utility of maize can be increased. (10marks)

(b) The following trial balance relates to Nyamira traders Ltd. As at 31st March 2005.

Nyamira Traders
Trial balance
As at 31st March 2005

Detail	Dr.	Cr.
Capital		400,000
Sales		560,000
Purchase	100,000	
Returns	500	1,000
Carriages	15,000	6,000
Opening stock	50,000	
Discounts	2,000	4,000
Rent		16,000
Insurance	8,000	
Machinery	560,000	
Transport	1,000	
Wages	10,000	
Debtors	400,000	
Creditors		60,000
5 year loan		200,000
1 year loan		75,000
Furniture	60,000	
Premises	40,000	
Overdraft		37,000
Cash	500,000	
Bank	100,000	
	1,353,000	**1,353,000**

The closing stock was valued at sh. 60,000.

Required:

(i) Prepare a trading, profit and loss account.

(ii) Prepare a balance sheet as at 31st March 2005.

6. (a) There has been an increase in demand for pork at Funyula market. Discuss any five factors that may have contributed for this situation. (10marks)

(b) Discuss how the introduction of money eliminates problems faced in Butter trade. (10marks)

TRIAL 4

NAME…….ADM……..CLASS……..

CANDIDATE'S SIGNATURE…….DATE……

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

BUSINESS STUDIES PAPER 2

565/2

TIME: 2 $\frac{1}{2}$ HOURS

INSTRUCTIONS TO CANDIDATES

(a) Write your name and admission number in the spaces provided above.
(b) Sign and write the date of the examination in the spaces provided above.
(c) Answer any five questions in the spaces provided
(d) This paper consists of **3** printed pages. Candidates should check carefully to ascertain that all the pages are printed as indicated and that no questions are missing.
(e) Candidates should answer the questions in English.

FOR EXAMINERS USE ONLY

Question	Maximum Score	Candidate's score
	20	
	20	
	20	
	20	
	20	
Total score		

1. (a) Explain five characteristics of an under-developed country.
(10 marks)

(b) In the recent past, Kenya has been experiencing high rates of inflation. Explain any five non-monetary measures that a country may use to control this situation
(10 marks)

2. (a) The per capita income in country A is considerably higher than that in country B. Explain five reasons why the citizens of country A may not necessarily enjoy higher standards of living than citizens of country B. (10 marks)

(b) Explain five circumstances under which personal selling would be the most appropriate method of product promotion. (10 marks)

3. (a) Explain any ways in which the external environment may contribute to the success of a business (10 marks)

(b) The following balances relate to Utawala Traders as at 31st December 2021

	Shs
Salaries	70,000
Stock (1/1/2021)	30,000
Premises	700,000
Creditors	35,000
Capital	700,000
Purchases	150,000
Bank	120,000
Insurance	10,000
Electricity	40,000
Debtors	60,000
Sales	350,000
Stock (31/12/2021)	20,000
2-year bank loan	200,000
Cash	90,000
Returns inwards	15,000

Required:

(i) Prepare a trading, profit and loss account for the year ending 31st December 2021 (5 marks)

(ii) Prepare a balance sheet as at 31st December, 2021 (5 marks)

4. (a) Explain ***five*** ways in which a computer may be used in an office (10 marks)

(b) Most of the African countries are suffering from rapid unemployment rates. Explain five causes of this situation. (10 marks)

5. (a) Outline five differences between a public limited company and a public corporation. (10 marks)

(b) Currently, commercial banks are establishing Banking Agencies in different parts of the country. Explain five benefits that are enjoyed by their customers as a result of this development. (10 marks)

6. (a) On 1st October 2013, Nyati Traders Had shs.10 000 and shs.40 000 at the bank. During the month, the following transactions took place.

2013

Oct 2	Bought goods worth shs3,100 by cheque
3	Paid motor expenses shs.6000 in cash
6	Sold goods worth 8200 cash
10	paid a creditor shs.9500 by cheque after deducting a 5% cash discount
12	Received a commission of shs.580 directly into the bank account.
15	The bank deducted shs. 850 from the business account for services rendered
19	The owner took shs.1500 by cheque for personal use
23	Paid Maboko traders shs.39,200 by cheque in full settlement of their account less 2% cash discount
24	Withdrew shs.15,000 from bank for business use
26	Received shs.8,200 cash from a debtor in full settlement of a debt of shs.8,500
30	Took all the cash to the bank leaving only shs.1800 in the cash till

Required:

Prepare a duly balanced three column cash book (10 marks)

(b) Explain any **five** ways of improving the efficiency of a warehouse. (10 marks)

TRIAL 5

565/2 BUSINESS STUDIES

TIME: 2 HRS 30 MINUTES

NAME…… INDEX NUMBER……

Candidate's Signature……. Date ……

Instructions to candidates

a) Write your name and index number in the spaces provided above.

b) Sign and write the date of examination in the spaces provided above

c) The paper has six (6) questions of equal marks.You are expected to attempt only five (5)

d) Candidates should answer the questions in English

For Examiner's Use Only

Question	Maximum Score	Candidates Score
	20	
	20	
	20	
	20	
	20	
	20	
	TOTAL SCORE	

1. a) Explain five money transfer facilities offered by commercial bank to its customers. (10mks)

b) Explain five principles of public expenditure. (10mks)

2. a) Explain five advantages that may accrue to a country that engages in international trade. (10mks)

b) Explain five factors that are likely to lead to high birth rate in Kenya. 10mks)

3. a) By the aid of a diagram,explain excess demand and excess supply (10mks).

b) Discuss any five circumstances under which an insured may not be compensated in the event of a loss. (10mks)

4. a) Highlight five factors that may contribute to demand pull inflation. (10mks)

b) On March 1st 2017,Martha had cash in hand sh 87,000 and cash at bank sh 250,000. During the month,the following transactions took place.

March 2: Cash sales sh 60,0000

3: Paid salaries sh 101,500 by cheques

7: Received a cheque of sh 76,000 from Henry,after allowing him cash discount of 5%

13: Bought office furniture by cheque shs 86,000

17: Settled Maria's account for shs34,200 in cash having deducted shs 800 cash discount

20: Received a cheque for shs 165,000 in respect of cash sales

22: Paid wages shs 25,000 in cash.

24: Withdrew shs 32,000 from the bank for office use.

25: Withdrew shs 4,000 cash for personal use.

29: Received shs 17,000 cash from Alvin in settlement of his account less shs 1,000 cash discount

31: Deposited all the cash into the bank except shs 24,000

Prepare three column cash book duly balanced (10mks)

5. a) Explain five benefits of filing office documents to an organization (10mks)

b) A trader want to place an order to his supplier.Explain five factors that he should consider before choosing the appropriate mean of communication. (10mks)

6. a) Describe four sources of monopoly power in an economy (8 marks)

b) The following trial balance was extracted from the Ledgers of Ashley's electronics business on 31st December 2020.

Ashley's Electronics
Trial Balance
As at 31st December 2020

TITLE OF ACCOUNT	DEBIT (Dr) SHS.	CREDIT(Cr) SHS.
Gross Profit		177,000
Equipment	90,000	
Motor vehicle	250,000	
Electricity	12,000	
Carriage out	3,300	
Rent	50,000	
Discount	8,000	10,700
Salaries	12,900	
Commission		5,000
Insurance	15,000	
Cash at bank	100,000	

Debtors	36,000	
ABC Bank loan		100,000
Capital		250,000
Creditors		34,500
TOTAL	**577,200**	**577,200**

Stock on 1st January 2020 was valued at shs. 77,000.

Prepare:

(i) Profit and Loss account for the year ended 30th April 2020. (6 marks)
(ii) A balance sheet as a 30th April 2020. (4 marks)
(iii) Calculate, (2marks)
(a) Working capital
(b) Capital Employed

TRIAL 6

NAME…….. CLASS……SET…….

SIGNATURE……. HOUSE …….

BUSINESS STUDIES

PAPER 2

565/2

TIME: 2 ½ HOURS

FORM 4

Instructions to candidates:

a) **Write your name, class, admission number and name of your teacher in the spaces provided**
b) **Answer Only 5 questions in the foolscaps provided.**

c). This paper consist of 3 printed sheets

QUESTIONS	**MARKS**
1	
2	
3	
4	
5	
6	
TOTAL	

1. (a) Explain five factors that may promote entrepreneurship in Kenya. (10 marks)

   (b) Explain 5 services that commercial banks offer to their customers. (10 marks)

2. (a) On 1st September 2018. Kwale traders had the following balances.

   Cash sh. 55 000

   Bank sh. 250.000(CR)

   During the month, the following transactions took place

September	2nd	cash sales banked sh. 535,260
	3rd	Bought ribbons in cash sh. 4,500
	8th	Paid Nyongesa, a creditor sh. 94,000 by cheque in full settlement of his account after deducting 6% cash discount.
	12th	Received a cheque for sh. 58,800 from Winnie after allowing her cash discount of sh. 1,200
	14th	Purchased goods worth sh. 10,000 on credit from Thika Traders.
	15th	Paid salaries sh. 34.000 in cash.
	25th	Withdrew sh. 50,000 from bank for office use.
	28th	Anyango, a debtor. Paid her account of sh. 75,000 by cheque less 10% cash discount.
	30th	Deposited all the cash into the bank except sh. 13,700

Required: Prepare a **three** column cashbook as at 30th September, 2018. (10 marks)

(b) Explain five factors to consider when choosing office equipment. (10marks)

3. (a) Explain five measures that the government of Kenya has put in place to protect consumers from unscrupulous business practices. (10mks)

(b) Describe **five** types of unemployment to an economy and give cause of each. (10marks)

4. (a) Explain **five** channels of distribution that a trader may use to import goods. (10mks)

(b)Explain five factors that influence the choice of an appropriate means of transport (10mks)

5. (a) Using a well labelled diagrams, distinguish between movement along the supply curve and a shift in the supply curve. (10mks)

(b) Explain five services offered by wholesalers to the retailers. (10mks)

6. (a) Explain 5 disadvantages that a country may suffer out of international trade. (10mks)

(b) The following information relates to Kabarnet Traders.

Details	**Sh**
Stock 1st January 2017	430,000
Purchases	930,000
Sales	1,155,000
Carriage outwards	25,000
Carriage inwards	10,000
Return outwards	20,000
Return inwards	30,000
General expenses	100,000
Insurance	25,000
Rent received	15,000
Stock 31st December 2017	470,000

Calculate

(i) Turnover (l mark)

(ii)	Rate of stock turnover	(3 marks)
(iii)	Mark up	(2 marks)
(iv)	Margin	(2 marks)
(v)	Net profit	(2 marks)

TRIAL 7

Name: _____Adm. No_____

Index No: _____ School:_____

Candidate's Sign_____ Date: _____

565/2

BUSINESS STUDIES

Paper 2

Time: 2½ Hours

Instructions to candidates:

1. This paper consists of six questions
2. Answer any **five** questions.
3. Write your answers in the answer booklet provided
4. All questions carry equal marks
5. This paper consists of 3 printed pages.
6. Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

Answer Any Five Questions

1. (a) Explain **five** benefits that may accrue to a firm that adopts division of labour. (10 marks)

   (b) Discuss **five** problems that a country may face when measuring her national income using output approach. (10 marks)

2. (a) Explain **five** measures that a business may take to safeguard and control its property.
   (10 marks)

   (b) Discuss five factors that a manufacturer should consider when choosing a distribution channel.
   (10 marks)

3. (a) Describe **five** circumstances under which a bank may dishonor a cheque.
   (10 marks)

   (b) On 1st January, 2012 Chumo Traders had the following balances:

   Cash 15,000

   Bank 40,000

   During the month, the following transactions took place.

   Jan 2 Maritim, a debtor, settled his account of sh.10,000 by a cheque of sh.8,000.

   5 Deposited sh.4,000 into the business bank account from the cash till.

   9 Paid wages by cash sh.5,000

   14 Sold goods in cash sh.14,000

   17 Purchased office equipment worth sh.3,000, paying by cheque.

   18 Settled Korir's account, sh.10,000 by cash after being allowed a discount of 5%.

   21 Received sh.6,000 cash from Kolongei, a debtor.

23 Tangus, a debtor settled his sh.4000 account by cheque having been allowed a discount of 20%.

27 Deposited sh.17,000 in the business bank account from private sources.

30 Banked all the cash in the till except sh.1000.

Prepare a three column cash book for Chumo Traders duly balanced at the end of the month.
(10marks)

4. (a) Outline **five** reasons why a wholesaler may decide to construct its own warehouse instead of hiring storage space.
(10 marks)
(b) Describe **five** features of human wants. (10 marks)

5. (a) Small scale businesses in Kenya has been struggling over the years, explain **five** reasons behind this. (10 marks)
(b) Explain **five** factors to consider when choosing a method of product promotion. (10 marks)

6. (a) Describe **five** steps to be followed when obtaining an insurance policy. (10 marks)

(b) The following information relates to Jambo Entreprises for the year ended 31st December 2018.

Item	**Shs**
Stock on 1st Jan 2018	75,000
Furniture	2,000,000
Motor vehicles	4,000,000

Purchases		1,500,000
Carriage on Purchases		50,000
Sales		3,000,000
Carriage on Sales		15,000
Discount received		25,000
Debtors		400,000
Creditors		635,000
Discount allowed		10,000
Lighting & Heating		15,000
Water		5,000
Rent and rates		30,000
Repairs	50,000	
Salaries		100,000
General expenses		70,000
Cash in hand		90,000
Cash at Bank		450,000
Capital		5,230,000
Commissions paid		30,000

Additional information:

Stock on 31st Dec 2018 was 105,000.

Prepare;

(i) Trading Profit & Loss account for the year ended 31st Dec 2018.
(ii) Balance sheet as at 31st December 2018.

TRIAL 8

565/2
BUSINESS STUDIES
PAPER 2
TIME: 2 ½ Hrs

NAME: ……ADM.NO: …….CLASS: ..…….

CANDIDATE'S SIGNATURE: ……DATE: ……...

END OF TERM 1 2023

INSTRUCTIONS TO CANDIDATES.

1. **This paper consist of six questions.**
2. **Answer only five questions in the writing material provided.**
3. **Indicate clearly the questions answered.**

For Examiners use only.

1	2	3	4	5	6	Total

1. (a) Explain five factors that encourage entrepreneurial development in Kenya. (10mks)

   (b) Highlight five characteristics of an efficient tax system. (10mks)

2. (a) Dr Walden would like to pass a message to a firend. Explain five factors he is to consider in choosing the most appropriate means of communication to use. (10mks)

   (b) Describe any five source of document that a business may have access to. (10mks)

3. (a) Explain five benefits of direct production. (10mks)

   (b) The following information relates to Maralal Traders for the month of May 2014.

May 1:	Balance brought forward Cash shs 180,000 Bank shs 450,000 (Cr)
3:	received a cheque of 1,500,000 from Mpasha, a debtor
7:	Cash sales shs 280,000
11:	Jolloimat, a creditor of shs 600,000 was paid by cheque of sh 400,000 and the balance by cash
14:	Received commission in cash shs 150,000
17:	A debtor, Leteipa, paid his account of 185,000 by cheque less 2% cash discount.
19:	Paid the following expenses by cheque: Rent shs 75,000 Electricity shs 32,000 Water shs 25,000
21:	Withdrew shs 100,000 from bank for personal use.
24:	Paid cash shs 133,280 to Kinai after deducting a cash discount of 2%
25:	Received a cheque of sh 200,000 from Kiyapi, a debtor
28:	Paid salaries shs 120,000 by cheque
31:	Banked all cash except shs 50,000

Required:

Record the above transactions in a three column cash book. (10mks)

4. (a) Explain five differences between private limited companies and partnerships forms of business units. (10mks)

   (b) Explain clearly with aid of a diagram the change of equilibrium as a result of increase in supply of a commodity. (1omks)

5. (a) Explain five challenges that an underpopulated country may experience. (10mks)

(b) Explain five measures that a wholesaler would take to ensure smooth running of his warehouse. (10mks)

6. (a) Highlight four circumstances under which a cheque may be dishonoured. (8mks)

(b) The following trial balance related to Kimani;s business as at 31st December 2012

	DR(SHS)	CR(SHS)
Stock on 1st January 2003	60,000	
Purchases and sales	400,000	580,000
Returns	20,000	50,000
Debtors and creditors	65,000	40,000
Premises	540,000	
Machinery	200,000	
Fixtures and fittings	100,000	
Carriage outwards	8,000	
Wages and salaries	30,000	
Discounts	25,000	32,000
Commissions	16,000	14,000
Cash in hand	70,000	
Capital		818,000
	1,534,000	1,534,000

Required:

(a) Prepare a trading profit and loss account for the period ended 31st December 2012 and a balance sheet as at that date if the closing stock was worth shs 70,000 (12mks)

TRIAL 9

Kenya Certificate of Secondary Education

565/2-BUSINESS STUDIES - Paper 2

Name ……..…. Adm no. ……

Candidate's Signature …….. Date ……

Instructions to Candidates

a) This paper consists of six questions.
b) Answer any **five** questions.
c) Answers should be written in the spaces provided after question six.
d) All questions carry equal marks.
e) Students should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
f) Students should answer the questions in English.

For Examiner's use only

QUESTION		1	2	3	4	5	6
MARKS	a)						
	b)						

1 a) Explain **five** benefits of division of labour and specialization to an organization. (10marks)

b) ABC Company wishes to start a manufacturing firm, explain **five** factors that they will consider before deciding where to locate their firm. (10marks)

2. a) Motorcycles (Bodaboda) are gaining popularity as a means of transport especially in the rural areas. Explain **five** reasons for this trend. (10marks)

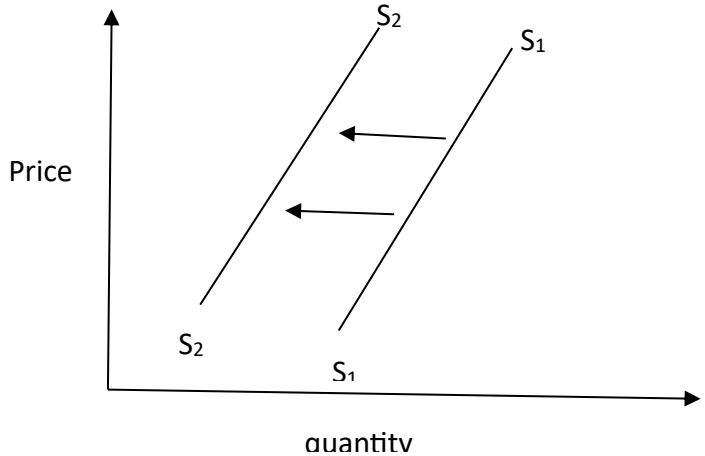
b) On 1st January 2020, Juma traders had shs 50,000 cash and a bank overdraft of shs 30,000.

During the month the following transactions took place;

2nd January 2020	Made cash sales of shs 400,000
5th January 2020	Received a cheque of shs 450,000 from Jacob traders in full settlement of their debt after allowing a 10% cash discount.
7th January 2020	Paid rent in cash shs 20,000
12th January 2020	Took cash shs 40,000 to settle a personal debt.
14th January 2020	Deposited shs 20,000 from the cash till in the business bank account.
17th January 2020	Purchased stock on credit from Bernard distributors worth shs 20,000
20th January 2020	The cheque received on 5th January was dishonored.
23rd January 2020	Cash sales of shs 50,000
25th January 2020	Settled Charity's account of shs 200,000 by cash less 3% cash discount.
28th January 2020	Cash sales banked directly shs 39,000
30th January 2020	Paid Pendo trader's shs 124,000 in cash after deducting a cash discount of shs 6000.
31st January 2020	Deposited all cash in the bank account except shs 1000.

3 a) Explain **five** reasons for government involvement in business. (10 marks)

b)



Explain **five** reasons that may account for the above trend. (10 marks)

4 a) Jamal took an insurance policy and eventually suffered a loss as a result of occurrence of the insured risk. Explain the procedure that he would follow when making a claim from the insurer. (10 marks)

b) Outline **five** principles of co-operatives. (10 marks)

5. a) Explain **five** factors that may have contributed to high rate of unemployment in a country like Kenya. (10 marks)

b) Explain **five** types of small scale retailers with shops. (10 marks)

6 a) The following balances were extracted from the books of Silker Traders on 1st January, 2022.

	Kshs.
Capital	?
Creditors	680,000
Motor van	1,200,000
Bank	800,000
Stock	600,000
Debtors	820,000
Cash	700,000

The following transactions took place during the first week of January, 2022.

Jan 2: Paid a creditor Ksh.180,000 by cheque.
Jan 3: Sold goods worth Ksh. 160,000 for which Ksh.120,000 cash was received and balance was due at the end of the week.
Jan 4: The owner took goods worth Ksh.5,000 for home use.
Jan 5: Sold goods worth Ksh.200,000 for Ksh.237,000 on credit.
Jan 6: Received Ksh.330,000 from Keiyo distributors a debtor by cheque.

Required:

i)Ascertain Silkertraders capital as at 1st January, 2022. (2 marks)

ii) Draw Silker Trader's balance sheet as at 7th January, 2022 showing the items in their relevant classes. (10 marks)

b) Explain **four** personal considerations to be put into account when evaluating a business opportunity. (8 marks)

TRIAL 10

BUSINESS STUDIES
565/2
Time: 2hours 30Min.

NAME: ……..**ADM NO.:**……**CLASS** ……

SIGNATURE:……...**DATE**:……TEACHER……..

Instructions to candidates.

1. *Write your name, index number, school and signature in the spaces given above.*
2. *Sign and write the date of the examination in the spaces provided above*
3. *This paper consists of 6 questions. Answer any five questions.*
4. *All answers should be written in the answer booklet provided.*
5. *Candidates should check the question paper to ascertain that all the questions are printed.*
6. *All questions should be answered in English.*

For official use only.

Question	**1**	**2**	**3**	**4**	**5**	**6**
Marks						

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1. a) Explain **five** reasons for the popularity of using internet in product promotion. (10mks)

   b) Explain **five** services that the central bank of Kenya may offer to commercial banks. (10mks)

2. a) Explain **five** trends in business ownership. (10mks)

   b) On 1st April 2020, Kifaru traders had the following balances:

   Bank 15,000 (CR)

   Cash 25,000 (DR)

   April: 3rd Paid wages in cash Ksh. 15,000

   5th Bought goods worth Ksh. 750 in cash.

   6th Received cheques from the following debtors after allowing a 2% discount in each Case, Roiki Sh. 980, Kombo Sh. 1960.

   8th Chebe paid Kifaru by a cheque of Sh. 1,000.

   11th Bought machinery by cheque for Sh. 5,000.

   13th Cash sales paid directly to the bank Sh. 4000.

   15th Withdrew Sh. 1,000 for private use.

   20th Cash sales Sh. 20,000.

   21st Banked cash amounting to Sh. 1,000.

   24th A cheque received from Chebe 0n 8th April was dishonoured.

   27th Received Sh. 3,000 by cheque from Kiko, a debtor.

   30th Banked all the available cash except Sh. 1,000.

   Prepare Kifaru Traders three column cash book for the month of April, 2020. (10mks)

3. a) Explain **five** monetary policies that the Kenyan government may use to control inflation. (10mks)

b) Explain five factors to consider when choosing an office layout. (10mks)

4. a) Explain **five** factors that may limit entrepreneurial development in a country. (10mks)

b) Explain **five** negative effects of unemployment. (10mks)

5. a) Describe **four** chains of distribution that a Kenyan producer would use to sell his/her goods to South Africa. (8mks)

b) The following Trial balance was prepared from the books of Nerea traders as at 31st December 2015.

Nerea Traders
Trial Balance.
As at 31st December 2015.

Particulars	**Dr. Sh.**	**Cr. Sh.**
Sales		900,000
Purchases	600,000	
Returns	80,000	20,000
Carriage Inwards	40,000	
Carriage Outwards	3,000	
Stock (January 2015)	100,000	
Rent.	60,000	
Creditors		170,000
Debtors	120,000	
Interest on loan	18,000	
General expenses	7,000	
Capital		178.000
Fixed assets	240,000	
	1,268,000	**1,268,000**

Additional Information.

Stock as at 31st December was Ksh. 100,000

Required:

i) Prepare a Trading profit and loss account for the period ended 31st December 2015.

ii) Calculate:

a) Return on capital employed.

b) Current ratio.

c) Rate of stock turnover.

(12mks)

6. a) Explain **five** circumstances under which a country may restrict international trade. (10mks)

b) Explain five types of direct taxes. (10mks)