

KCSE 2024 REPLICA

BUSINESS STUDIES

(PREDICTION EXAMS 1-10)

Confidential set of Possible Questions likely to be examined in the forthcoming Final Examinations. A Projection of what is likely to be tested in the much-awaited KNEC Exams scheduled for November 2024.

The following are Questions to expect in KCSE 2024 EXAMS.

CONFIDENTIAL!

For Marking Schemes

Mr Isaboke [0746 222 000](tel:0746222000) / [0742 999 000](tel:0742999000)

THE KEY TO SUCCESS!

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 1)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

(a) Write your name, admission number and class in the spaces provided above.

(b) This paper consist of 25 questions

*(c) Answer **all** the questions in the spaces provided*

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

16	17	18	19	20	21	22	23	24	25

TOTAL

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Answer **all** the questions in the spaces provided

- 1) State four reasons why people satisfy basic wants before secondary wants. (4 mks)
- 2) Write the type of accounts the following items fall under (4 mks)

	ITEM	TYPE OF ACCOUNT
a	Discount received	
b	buildings	
c	Creditor kemboi	
d	capital	

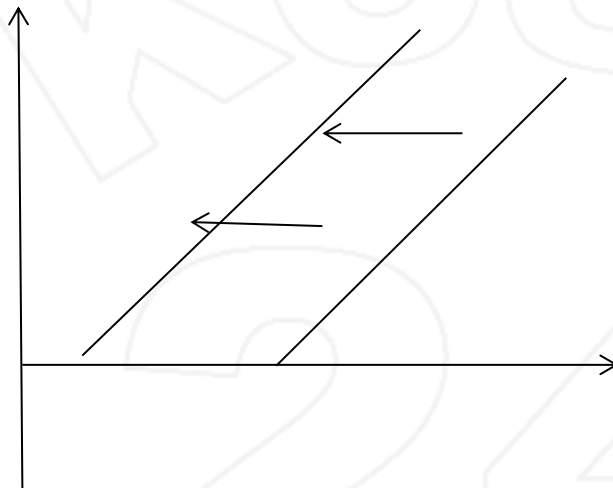
- 3) Highlight four assumptions of the circular flow of income in a two-sector economy (4 mks)
- 4) Highlight four reasons why it is suitable to locate a bonded warehouse at a point of entry of a country. (4 mks)
- 5) State the type of unemployment described below (4 mks)

	DESCRIPTION	TYPE OF UNEMPLOYMENT
a	People lose jobs and spend time looking for a new job	
b	Unemployment occurs repeatedly at similar times	
c	Affects certain occupations such as the construction industry	
d	Workers unwilling to accept the current wage rate	

- 6) State four reasons why a businessperson would prefer to use current account. (4 mks)
- 7) Highlight four ways that can be used to correct unfavorable balance of payment. (4 mks)
- 8) State four internal economies of scale. (4 mks)
- 9) Indicate with a (+) for increase, (-) for decrease and a (0) for no change in totals of the balance sheet following the transactions below: (4 mks)

	TRANSACTION	EFFECT
a	A debtor paid by cash	
b	Paid creditors by cheque	
c	Bought goods on credit	
d	Withdrew cash from bank for office use	

- 10) A trader wants to import a car from Japan. List four possible channels of distribution he will use. (4 mks)
- 11) Outline four benefits that accrue to business organizations that use the latest technology in record keeping. (4 mks)
- 12) Highlight four ways in which a business idea can be implemented. (4 mks)
- 13) Outline any four ways through which producers co-operatives help agricultural development in Kenya. (4 mks)
- 14) Identify four types of small scale retail business without shops that wambui can run without a shop. (4 mks)
- 15) Why would an exporter prefer to use container services as a method of transport? (4 mks)
- 16) The diagram shows a shift of a supply curve for a certain commodity. (4 mks)



State four reasons why the supply curve could have shifted from S_0 to S_1

- 17) Given the items of Njoroge Wholesalers on 1st July 2024 (5 mks)

Building	780,000
Net loss	43,000
Additional investment	8,400
Stock	45,000
Creditors	32,000
Debtors	29,000
Loan	240,000
Overdraft	60,000
Weighing machine	17,000
Cash	30,000

Prepare a balance sheet as at that date

- 18) Highlight three features of cartels (3 mks)
- 19) The following are some of the terms used in international trade. Write the following initials in full. (4 mks)

- i) F.O.B
- ii) C.I.F
- iii) F.A.S
- iv) F.O.R

20) The following information relates to Maji Mazuri Traders as at 31. 12. 2023. **(4 mks)**

Fixed assets	400,000
Stock	120,000
Current liabilities	60,000
Net profit for the current year	100,000

Calculate:

- a) Working capital **(2 mks)**
- b) Rate of return on capital employed **(2 mks)**

21) Outline four factors that may limit the development of a less-developed country. **(4 mks)**

22) Highlight four factors that should be considered by a firm when deciding on the method to use for promoting its products. **(4 mks)**

23) Identify four types of taxes based on structure of taxes. **(4 mks)**

24) Highlight four problems associated with determining consumer price index in an economy. **(4 mks)**

25) A farmer's house valued at ksh. 1,200,000 was insured against fire for ksh. 900,000 under the 'average clause'. Fire occurred and damaged the house causing a loss of ksh. 500,000. Determine the value of compensation due to the farmer. **(4 mks)**

END

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 1)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- a) Write your name and stream in the space provided above.*
- b) This paper consists of six questions*
- c) Answer any **five** questions of your choice in the spaces provided.*
- d) All questions carry equal marks*
- e) Students should answer the questions in English.*

FOR EXAMINER'S USE ONLY

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

Answer any **five** questions

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) Mworio 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 Mworio 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 Isaboke Traders on 1st January 2024

	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 2024

- 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 2024 **(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)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 2)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES:

- Write your Name, School and Admission number in the spaces provided
- Answer **all** the questions in the spaces provided.
- Check that the question paper has all pages printed and that no questions are missing.

FOR EXAMINERS USE ONLY

QUESTIONS	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										

Answer **all** the questions in the spaces provided

1. State **four** ways in which the utility of a product can be increased. (4mks)
2. Highlight **four** disadvantages of operating an enclosed office layout. (4mks)
3. State **four** reasons why Countries may decide to trade with each other. (4mks)
4. State **four** functions of the Central Bank of Kenya. (4mks)
5. Odhiambo provided the following information for the month of January 2024

Sh.

Opening stock	200,000
Closing stock	300,000
Purchases	500,000
Margin 20%	

Prepare his trading account for the month ending 31st January 2024

6. State **four** indicators of economic development. (4mks)
7. State **four** consequences that may arise due to poor arrangement of goods in a warehouse. (4mks)
8. The inflation rate in Country X moved from 5.8% to 9.4%. State four positive outcomes of this change. (4mks)
9. Highlight **four** circumstances under which a manufacturer would find it necessary to carry out market research. (4mks)
10. State **four** factors that determine the amount of revenue collected by the Kenyan Government through taxation. (4mks)
11. The following balances were extracted from the books of Shiku Traders for the year ended 30th June 2024.

Debtors	120,000	Cash at bank	180,000
Creditors	60,000	5 years bank loan	270,000
Machinery	450,000	Stock	60,000
Cash in hand	70,000		

Prepare a balance sheet of Shiku traders as at 30th June 2024

12. Highlight **four** guidelines that may help an entrepreneur in identifying a viable business opportunity. (4mks)
13. On January 1st 2006, Mwaniki Traders had sh. 180,000 cash and sh. 170,000 at bank. During the month the following transactions took place:
2006 Jan 10: paid ABM Trades sh.25,000 by cheque sh. 1000 cash discount.
2006 Jan 16: Sold goods for sh.14,000 cash less 5% discount.
Enter the above transaction in a cash book and balance it off. (4mks)

14. Identify the error committed in the following cases. (4mks)

i) A transaction took place but was not recorded.	
ii) Entries are made on the wrong sides of the relevant account.	
iii) Entries are made correctly but in the wrong class of accounts	
iv) Errors in both credit and debit entries are of equal magnitude and cancels out each other.	

15. Outline **four** factors that determine the amount of money that an individual may hold in order to meet unexpected expenses. (4mks)

16. State **four** factors which determine the size of a Country's national income. (4mks)

17. Outline **four** ways in which the nature of a product influences the choice of a distribution channel. (4mks)

18. In the spaces provided in the table below, name the document Jambi LTD would issue under the circumstances described. (4mks)

Circumstances	Source document
(i) Jambi LTD sold goods worth Ksh.54,000 on credit to Jamilar Traders	
(ii) Osuri Enterprises which had bought goods worth Shs.27,000 was erroneously charged for only Sh.25,000.	
(iii) Guru Traders paid shs.33,900 by cheque to Jamii LTD for goods which had been supplied.	
(iv) Goods sold to Jamilar Traders had been overpriced by Shs.4,000.	

19. State **four** reasons why the Kenyan government has been organizing seminars and workshops for training youths in business. (4mks)

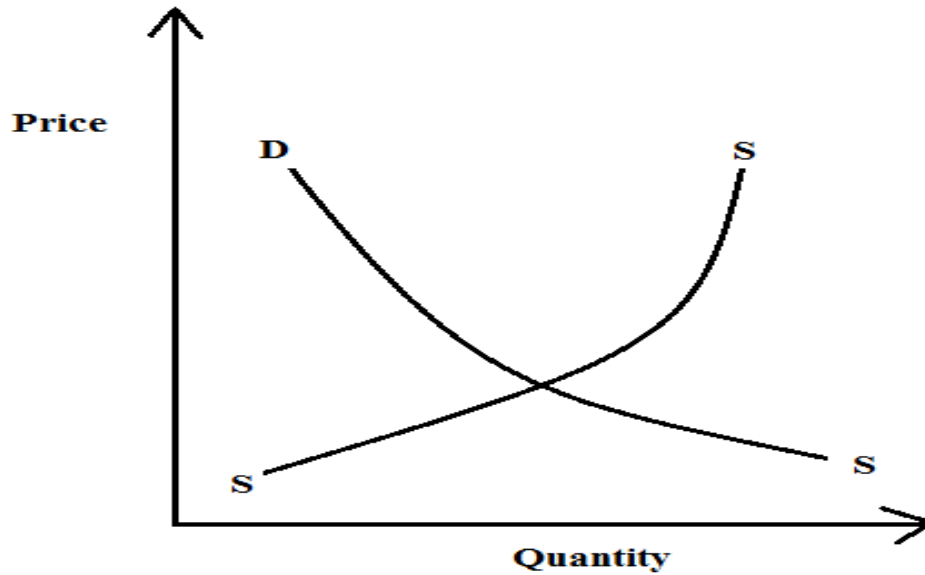
20. State **four** ways in which the legal political environment may improve business performance. (4mks)

21. Give **four** differences between a Public limited company and a partnership.

Public Limited Company	Partnerships
(i)	
(ii)	
(iii)	
(iv)	

22. The graph below represents the demand and supply curve for milk.

Price



State **four** effects of shift of the demand curve to the right.

(4mks)

23. State **four** reasons why bill boards are popular in product promotions.

(4mks)

24. Highlight **four** measures that a government may take to correct a balance of payment deficit in the

Country

(4mks)

25. Mention **four** benefits that may enjoyed by a Country that is experiencing over- population.

(4mks)

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KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 2)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

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Kenya Certificate of Secondary Education.

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- Write your Name, School and Admission number in the spaces provided
- Answer **any FIVE** questions in the spaces provided.
- All questions carry equal marks.

FOR EXAMINERS USE ONLY

QUESTIONS	MAXIMUM SCORE	CANDIDATE'S SCORE
	20	
	20	
	20	
	20	
	20	
TOTAL SCORE	100	

Answer any FIVE questions in the spaces provided.

1. (a) Explain **five** ways of making face to face communication effective. (10mks)
(b) Discuss **five** advantages of trade restriction to a Country. (10mks)
2. (a) Explain **five** circumstances under which an insurance contract may be terminated. (10mks)
(b) Explain **five** differences between commercial banks and the non-banking financial Institutions. (10mks)
3. (a) Using a well labeled diagram explain the effect of a decrease in the cost of production on the equilibrium price and quantity of a commodity. (10mks)
(b) Kyalo started a hardware business on 1st Jan. 2019. The following is a summary of his transactions during the month.

Invoice received

2019: Jan 2: Jirani Ltd Ks.80,000
18: Chuma Ltd Ksh.140,000
26: Mwanaisha traders Ksh.160,000

Invoice Issued

2019: Jan 5: Mungi Traders Ks.50,000
20: Moto traders Ksh.150,000
25: Jua Kali traders Ksh.70,000

Credit notes issued

2019: Jan 10: Mungi Traders Ks.6,000
28: Jua Kali traders Ksh.4,000

Credit notes received

2019: Jan 12: Jirani Ltd Ks.3,000
24: Chuma Ltd Ksh.8,000
30: Mwanaisha traders Ks.12,000

Additional information

2019: Jan 10: Sold machinery on credit to Kima traders sh50,000
9: Bought electronics equipment on credit from Lowland traders sh.18,000.
Prepare relevant journals to record the above transactions. (10mks)

4. (a) Explain **five** uses of the national income statistics. (10mks)
- (b) Explain **five** factors that may lead to business success. (10mks)
5. (a) Explain **five** benefits that a private Ltd Company may enjoy by changing to a Public Limited Company. (10mks)
- (b) Explain **five** factors that the government should consider when deciding on a good tax system. (10mks)

6. (a) Yoder is an horticultural Company producing flowers. Explain five factors that may influence the choice of a channel for distributing its' products. (10mks)

- (b) The following information was extracted from the books of Sunway stores.

Opening stock	Sh.60,000
Closing stock	Sh.120,000
Cost of sales	Sh.40,000
Debtors	Sh.75,000
Creditors	Sh.106,000
Returns inwards	Sh.25,000
Sales	Sh.52,500
Bank overdraft	Sh.24,000

Required:

Determine

- | | |
|-----------------------------|--------|
| (i) Purchases | (2mks) |
| (ii) Mark up | (2mks) |
| (iii) Profit margin | (2mks) |
| (iv) Working capital | (2mks) |
| (v) Rate of stock turn over | (2mks) |

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 3)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

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(d) Write your name, admission number and class in the spaces provided above.

(e) This paper consist of 25 questions

*(f) Answer **all** the questions in the spaces provided*

For Examiner's 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

Answer **all** the questions in the spaces provided

1. Give the **rewards** to each of the following items related to factors of production. **(4 marks)**

- i. Manager
- ii. Business owner
- iii. Tractor
- iv. Gold

2. State the **type of document** described by each of the following statements. **4 marks)**

Description	Document
i. Show from which country the goods are coming from	
ii. Written by an exporter authorizing his bank to sell goods on his behalf	
iii. Allow importer to get goods on credit and cannot be changed by the importer without the exporter's permission	
iv. Help in quicker clearance and is issued by a country's official abroad	

3. Identify **four** external physical factors that may compromise business performance. **(4 marks)**

4. Outline **four** circumstances under which Hire purchase may be used in acquiring goods. **(4 mks)**

5. State **four** demerits of using internet as a means of communication. **(4 marks)**

6. Highlight **four** ways in which an investor may benefit from stock exchange market. **(4 marks)**

7. State **four** negative effects of high taxation. **(4 marks)**

8. Outline **four** ways in households contribute to the national income of a country. **(4 marks)**

9. State **four** reasons why one would hire human portorage instead of pick-up to transport goods. **(4 marks)**

10. Outline **four** benefits of commercial production. **(4 marks)**

11. Identify **four** common characteristics between goods and services. **(4 marks)**

12. The following information relates to Jabungu Traders.

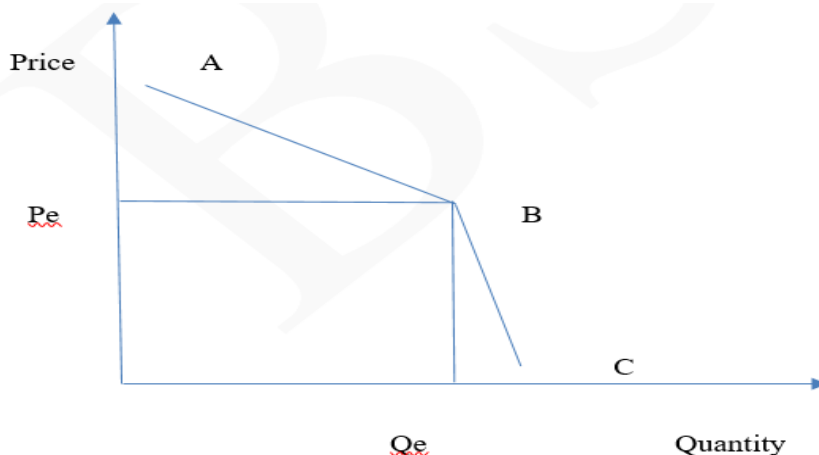
Item	shs
Land and building	490,000
Machinery	300,000
5 Year loan	110,000
2 Year loan	80,000
Creditor	90,000
Debtors	100,500
Stock	75,600
Cash	40,000
Bank overdraft	69,900

Calculate the following

- i. Working capital (1 mark)
- ii. Capital employed (1 mark)
- iii. Capital owned (1 mark)
- iv. Borrowed capital (1 mark)

13. State **four** ways through which the government may create an enabling environment. **4 marks)**

14. The following diagram relates to a market structure



- i. Identify the market structure related to the above diagram. (1 mark)
 - ii. State **three** features of the above market structure. (3 marks)
15. In each of the following situations, state whether the demand or supply would normally **increase, decrease or remain constant**. (4 marks)
- i. If consumers expect the price of a commodity to decrease in the near future, the demand would
 - ii. If the price of mutton increases, the demand for beef is likely to
 - iii. If the demand for milk rises, the supply for vehicles is likely to
 - iv. If the demand for vehicles reduces, the supply of fuel is likely to
16. Outline **four** consequences of poor filing in an organisation. (4 marks)
17. Outline **four** contents of a business plan. (4 marks)
18. State **four** reasons that may lead to the termination of an insurance policy. (4 marks)
19. Complete the table given below (4 marks)

Owner's Equity (sh)	Long term liabilities (sh)	Short term liabilities (sh)	Fixed assets (sh)	Current assets (sh)
i. A	759,510	265,700	812,000	652,900
ii. 675,800	966,700	458,000	B	526,900
iii. 826,000	1,065,300	C	2,346,400	612,700
iv. 391,700	952,650	321,000	1,275,000	D

20. Outline **four** characteristics of a bonded warehouse.

(4 marks)

21. As money continued to develop, precious metals, gold and copper gained more acceptances for use as form of money than other commodities. Give **four** reasons for this.

(4 marks)

22. Name the account to be debited and the one to be credited in each of the following transactions. (4 marks)

Transaction	A/c to be debited	A/c to be credited
Proprietor withdrew cash from bank for personal use		
Sold goods and payment was to be received later		
Paid a creditor by cheque		
Proprietor bought in cash from personal savings		

23. The following information was extracted from the books of Omollo stores during the year ended 31st August 2024.

Sh.

Capital as at 31 st August 2024	920,000
Capital as at 1 st September 2023	540,000
Monthly drawings	17,500
Net profit for the year	17,000

Determine the additional capital during the year.

(4 marks)

24. Name **four** types of intermediaries in a chain of distribution.

(4 marks)

25. Record the following transactions in the appropriate diary for the month of June 2024.

June 2024

1st Bought furniture on credit from Wahu Traders worth sh, 25,000

2nd Exchanged a Motor van whose book value is sh. 240,000 for a machine valued at sh.280, 000

3rd Sold Furniture valued at Sh. 15,000 on credit to Erick for sh. 13,400

(4 marks)

THIS IS THE LAST PRINTED PAGE

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 3)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

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Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

Answer any **five** questions

1. a) Explain five problems encountered in using national income statistics in comparing the standards of living in different countries. **(10 marks)**
- b) Explain five benefits that could be enjoyed by a person who decides to take out an endowment policy. **(10 marks)**
2. a) Explain five benefits that may accrue to a community involved in home trade. **(10 marks)**
- b) Explain five reasons why inflation in an economy may not be desirable. **(10 marks)**

3. a) Explain five ways in which division of labour can increase efficiency in the production process. **(10 marks)**

b) The following transactions belongs to Yala traders for the month of August 2022.

August 1st – Started business with Shs. 45,000 in the bank.

August 3rd – Bought stock on credit Shs. 15,000 from Nusra.

August 4th – Bought Furniture Shs. 5,000 by cheque.

August 6th – Withdraw Shs.15,000 from bank and put it in business cash till.

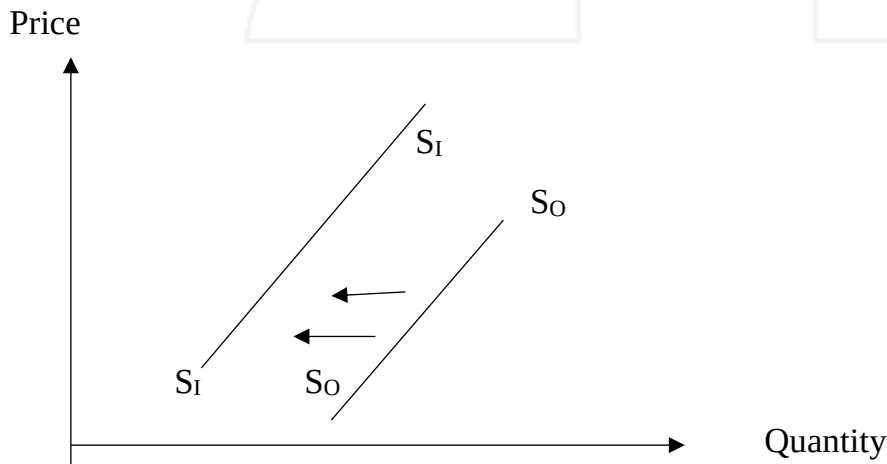
August 8th – Paid Shs. 5,000 for goods bought on credit from Nusra.

August 9th – Sold stock on credit Shs.9,000 to Nyando traders.

Required:

Record these transactions in relevant ledger accounts and balance them off. **(10 marks)**

4. a) The following diagram shows a shift in the supply curve. Explain briefly five factors that would cause such a shift. **(10 marks)**



- b) Explain five factors that have led to privatization of public corporations by the government of Kenya. **(10 marks)**

5. a) Explain five characteristics of perfect competition market structure. **(10 marks)**
- b) The following information was extracted from the books of Sunshine traders on 31st December 2023.

Shs.

Gross profit	800,000
General expenses	180,000
Building	1,250,000
Equipment	380,000
Capital	1,400,000
Furniture	117,000
Insurance	48,000
Stock	25,000
Commission income	125,800
Discount allowed	55,000
Discount received	56,200
Bank overdraft	79,000
Salaries and wages	320,000
Creditors	90,000
Carriage outwards	60,000
Debtors	65,500
Carriage inwards	34,500
Cash	51,000

Prepare:

- i) Profit and loss account for the period ended 31st Dec 2023. **(5 marks)**
- ii) Balance sheet as at 31st Dec 2023. **(5 marks)**

6. a) Explain five circumstances under which a country may restrict international trade. **(10 marks)**
- b) An international company is planning to launch its product in the local market. Highlight five factors that should be considered by the company when choosing the appropriate media through which to advertise the product. **(10 marks)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 4)

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME..... ADM NO;

CLASS..... DATE.....

SIGN:

Kenya Certificate of Secondary Education.

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

FOR EXAMINER'S 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

ANSWER ALL QUESTIONS IN THIS PAPER

1. Outline four benefits that consumers get from warehousing. **(4mks)**
2. Name the business document that each of the following descriptions refers. **(4 Marks)**

Description	Document
a)It is used to correct an overcharge in an invoice	
b)It is used to alert the buyer that ordered goods are on the way	
c)Summarize all monthly credit transactions between regular buyer and seller.	
d)It is a reply to an inquiry which contains descriptions, illustrations, terms of sale and prices of goods	

3. Outline four reasons why a business person may prefer written communication to verbal communication. **(4 Marks)**
4. Outline factors that may lead to a shift in the supply curve to the right. **(4mks)**
5. Using a tick(✓) indicate the effect of the following transactions on capital **(4mks)**

Transaction	Increase	Decrease	No effect
a)Withdrew cash for personal use			
b)Used personal savings to buy stock			
c)Paid a creditor by cheque			
d)Bought office furniture in cash			

6. Omamo a trader had the following assets and liabilities on 1st February 2020.

Shs

Capital	120,000
Machinery	80,000
Trade creditors	10,000
Trade Debtors	20,000
Stock in trade	25,000
Cash at hand	5,000

On 2nd Feb the following transactions took place

Purchased goods on credit for shs. 15,000

Received a cheque sh. 10,000 from a debtor

Sold the machinery for shs. 90,000 in cash

Required: Prepare Omamo Balance Sheet as at 2nd January 2020 after the above transactions

(5mks)

7. State four external factors that may positively influence the operation of a business.**(4mks)**
8. Outline four circumstances when the government may introduce regulatory measures to protect consumers from exploitation by business people. **(4mks)**

9. State four features of a perfectly competitive market (4mks)
10. Identify four factors that may cause demand- pull inflation to occur in a country (4 Marks)
11. The following transactions relate to Salim traders
- a) 15th Feb 2020 sold an old business vehicle for shs. 150,000 on credit to Recovery Motors
- b) 20th Feb 2020 bought a new sewing machine on credit from singer limited for shs.50,000
- Required: Record the above transactions in a General Journal
12. State four demerits that are associated with water transport. (4 Marks)
13. State four advantages of an open office layout to an organization (4mks)
14. Highlight four features private limited company (4 Marks)
15. Open relevant ledger accounts using the following information. (4 Marks)
- 1/2/2011 started business with sh. 10,000 in cash and sh. 50,000 at bank.
- 2/2/2011 Bought goods on credit from LK traders worth sh.5000
- 4/2/2011 Withdrew sh. 2000 from bank for office use.
16. Outline four circumstances where personal selling is appropriate. (4 Marks)
17. Highlight four benefits that a firm may enjoy by preparing a business plan. (4 Marks)
18. Highlight four forms of economic integration (4 Marks)
19. A business had the following record for the year ended 31st December 2023
- | | |
|--|--------|
| Capital as at 31/12/23 | 64,000 |
| Net profit for the year | 14,000 |
| Capital as at 1 st Jan 2023 | 42,000 |
| Monthly drawings | 1,500 |
- Calculate the additional investments made during the year (4 Marks)
20. Outline four principles that guide a government in spending public finance (4 Marks)
21. State four negative implications of ageing population in a country (4 Marks)
22. State four errors which may affect the agreement of a trial balance (4mks)
23. The following information relates to Mumbua traders for the year ended 31st April 2024.
- | | |
|-----------------------|---------|
| Cash at bank | 30,000 |
| Cash in hand | 40,000 |
| Current liability | 500,000 |
| Sales | 920,000 |
| Opening stock | 150,000 |
| Closing stock | 230,000 |
| Margin 25% | |
| Expenses 15% of sales | |

Determine

i) Gross profit (1Mark)

ii) Cost of sales (1Mark)

iii) Purchases for the year (1Mark)

iv) Net profit (1Mark)

24. State any four money transfer facilities offered by commercial banks (4 Marks)

25. State four problems encountered at the plan implementation stage in economic planning and development (4 Marks)

KCSE
24

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 4)

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME..... ADM NO;

CLASS..... DATE.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- a) Write your name, and Index number in the spaces provided after the questions.*
- b) Sign and write the date of examination.*
- c) This paper consists of **Six** questions.*
- d) Answer **any five** questions in the spaces provided after the questions.*
- e) All questions carry equal marks*
- f) Candidates should answer the questions in English.*

FOR EXAMINER'S USE ONLY

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total Score	100	

Answer **any five** questions in the spaces provided

1. a) Explain **five** circumstances that can cause a business to succeed in their activities. **(10 marks)**
b) Describe the procedure an insured must take when making an insurance claim. **(10 marks)**

2. (a) Mzalendo Enterprises started business on 1st July 2010 with Shs. 250,000 consisting of:
Cash at bank Shs.200,000, Cash in Hand Shs. 30,000 and Furniture Shs. 20,000.

The following transactions took place during the month of July 2010.

3rd July 2010, Motor Van worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit

4th July 2010, more stock worth shs.10,000 was bought by cash

10th July 2010, withdrew money from bank sh 50,000 for office use

15th July 2010, Sold stock at cost to a customer on credit for shs. 18,500

19th July 2010, received a cheque for the full settlement of a debt owed from the transaction of 15th July 2010

23rd July 2010, paid Shs. 65,000 by cheque for the motor van bought earlier on credit

29th July 2010, paid Shs. 20,000 cash for the stock bought on credit

Required:

Prepare the balance sheet of Mzalendo Enterprises as at 30th July 2010. **(10marks)**

- (b) Explain **five** reasons why upward communication should be encouraged in an organization. **(10 marks)**

3. (a) On 1st March 2020, Yawa had cash in hand shs. 7,800 and a bank overdraft of shs 23,400.

During the month of the following transaction took place.

March 3: Cash sales sh. 6500 paid directly into the bank.

March 4: Bought goods for sh. 15,000 by cheque.

March 6: cash sales sh. 50,000

March 9: Received a cheque for sh. 18,000 from Amolo in full settlement of his account of sh. 20,000.

March 13: Paid insurance premiums sh. 16,000 in cash.

March 14: Paid Kimotho by cheque sh. 9,700 in full settlement of his debt of sh. 10,000.

March 17: Cash sales sh. 150,000 paid directly into the bank.

March 21: Withdrew shs. 30,000 from bank for office use.

March 23: Received a cheque of sh. 23,750 from Rotich after having deducted 5% cash discount.

March 25: Paid wages shs. 20,000 in cash.

March 26: The cheque received by Amolo was dishonoured.

March 30: Banked all cash except sh. 3,000.

Required: Prepare a three-column cashbook. (10mks)

(b) Explain five challenges that may be experienced by a country whose population is made up of a large proportion of young people. **(10mks)**

4. (a) Explain five circumstances under which personal selling may be appropriate as a method of product promotion. **(10mks)**

(b) Explain five factors that may hinder entrepreneurial activities in a country. **(10mks)**

5. a.) As business expands, it experiences economies of scale such as division of labour and specialization. Explain Five benefit of the economy of scale mentioned to the business **(10mks)**

b.) Kamau operates a large hardware business in a town in Kenya. Apart from motor vehicle insurance policies, highlight giving reasons, five insurance policies that may be beneficial for this business. **(10mks)**

6. a) Explain **five** advantages of M-pesa **(10 mks)**

b) Using a well labeled diagram, illustrate, the effect of reduced cost of production on equilibrium price and output **(10mks)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 5)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

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 the questions in this paper.*
- e) All your answer must be written in the spaces provided in the question paper*
- f) Non –programmable silent electronic calculator may be used.*

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Candidate's score																				

21	22	23	24	25	TOTAL MARKS

1. State the level of production that matches the following occupations. (4marks)

Occupation

Level of production

- a) Carpentry
- b) Lumbering
- c) Bridge construction
- d) Banking

2. State four reasons that may make a firm to be located near a source of raw materials.(4marks)

3. Outline four channels used to distribute locally manufactured products in Kenya. (4 marks)

4. Give four types of small-scale retailers with shops (4marks)

5. State four external factors that may influence the operations of a business negatively. (4marks)

6. State four circumstances under which the capital of a business may change. (4marks)

7. List down factors that a trader may consider when choosing a means of transport.(4marks)

8. State four factors that may lead to the success of a business. (4marks)

9. Highlight four advantages of promoting sales through the internet. (4marks)

10. Indicate the document to be used for each of the following descriptions. (4marks)

Description

Document

- a) Reply to a specific letter of inquiry _____
- b) To update a catalogue _____
- c) To show the content of container _____
- d) To correct an overcharge in the invoice _____

11. The information below relates to Kimeu's business as at 31st JULY/AUG 2024.

Kshs

Capital	100,000
Additional investment in the year	40,000
Profit realised in the year	25,000
Drawings made in the year	45,000

Determine Kimeu's capital as at 31st JULY/AUG 2024. (4 marks)

12. Highlight four forms of economic integration. (4marks)

13. Highlight four reasons for consumer's protection. (4marks)

14. Outline four factors that would make John and Ann taking the same type of life assurance policy with the same insurer to pay different amount of premiums. (4marks)

15. The information below was extracted from the books of Wapendwa Traders on 31st JULY/AUG 2022

Details	Amount
Furniture and fittings	234,000
Debtors	67,500
Capital	157,900
Commission earned	13,200
Creditors	34,750
Drawings	21,800
5 years bank loan	114,450
Discount received	3,000

Required; Prepare Wapendwa Traders trial balance as at 31st JULY/AUG 2022. (5marks)

16. Identify the ledger in which the following accounts are maintained. (4marks)

<u>Account</u>	<u>Ledger</u>
a) Pendo (Debtor)	_____
b) Machinery	_____
c) Rent	_____
d) Capital	_____

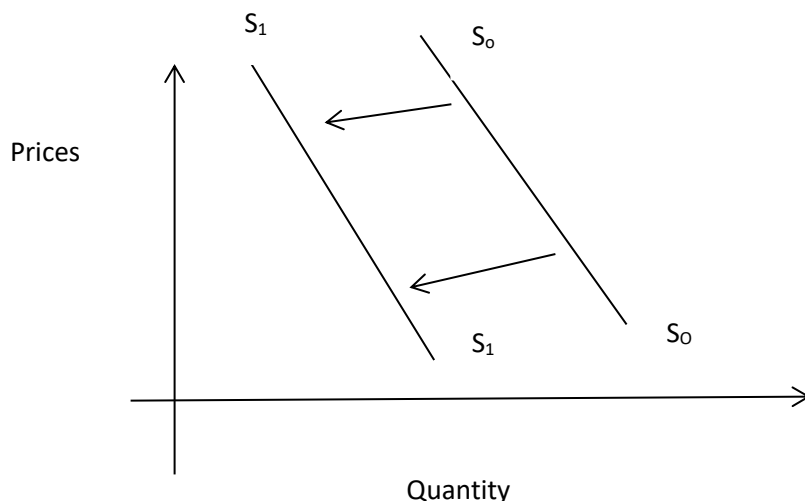
17. Indicate the source document that relates to the following books of original entry. (3 marks)

<u>Books of original entry</u>	<u>Source document</u>
a) Purchase return journal	
b) Cash book	
c) Sales return journal	

18. Identify the type of unemployment described by the statements below. (4marks)

- a) Introduction of tea picking machines to replace human labour _____
- b) Ignorance of existing opportunities _____
- c) Decline in economic activities of a given country _____
- d) Five employees handling a single task in an organisation. _____

19. The diagram below shows supply of a certain commodity. Give four reasons that may cause such a shift (4 marks)



20. Outline four tools of monetary policy that a government may use to reduce excess money supply

(4marks)

21. State whether the following transactions will increase, decrease or have no effect on the balance sheet items.

(4marks)

Transaction	Assets	Capital	Liabilities
a) Took a loan from K.C.B and used it to pay a K.I.E loan.			
b) Bought furniture and paid by cheque			
c) Took stock of goods and donated to a local church			
d) Sold stock of goods on credit at a profit.			

22. The following information was provided from the Mzalendo Traders books for the period ending 31st JULY/AUG 2024.

Commission received	20,000
Gross loss	50,000
Rent paid	30,000
Discount received	35,000
Carriage outward	10,000
Interest on loans	5,000

Required: Prepare profit and loss account for the period ending 31st JULY/AUG 2024. (4 marks)

23. State four assumptions in the circular flow of national income in a two-sector economy.

(4marks)

24. Highlight four characteristics of underdeveloped countries.

(4marks)

25. Outline four levels of inflation.

(4marks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 5)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

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 6 questions.*
- d) Answer any **five** questions in the spaces provided.*
- e) All questions carry equal marks*
- f) Non –programmable silent electronic calculator may be used.*
- g) Candidates must answer the questions in English.*

FOR EXAMINER'S USE ONLY

Question	Maximum score	Candidate's score
	20	
	20	
	20	
	20	
	20	
TOTAL		

1. (a) Highlight five ways in which Kenyan government can provide an enabling environment to the local traders. **(10 marks)**

(b) Explain **five** problems encountered in calculating national income using the output approach **(10 marks)**

2. (a) Explain five challenges that may be experienced by a new entrepreneur who has just established a business in Kenya. **(10 marks)**

(b) Kigal Traders had the following balances as at 30th April 2022

	Sh.
Sales	240,000
Purchases	90,000
Stock (30 th April 2022)	70,000
7 years bank loan	100,000
General Expenses	12,000
Interest on loan	25,000
Debtors	25,000
Cash at bank	20,000
Creditors	75,000
Cash at hand	10,000
Premises	95,000
Stock (2 nd April 2022)	160,000

Calculate:

i) Mark-up **(3 marks)**

ii) Margin **(2 marks)**

iii) Rate of stock turn-over **(2 marks)**

iv) Current ratio **(2 marks)**

v) Net profit. **(1 marks)**

3. (a) Explain five purposes of public finance in an economy. **(10 marks)**

(b) Highlight five circumstances that allow the existence of a monopoly in an economy.

(10 marks)

4. (a) Other than monetary policies, explain five ways of controlling demand-pull inflation.

(10 marks)

(b) Explain five features of sole proprietorship form of business.

(10 marks)

5. (a) Outline five benefits that accrue to an organization that uses electronic filing. **(10 marks)**

(b) The following are transactions of Epic traders for the month of June 2005.

June 1: Purchased stock for sh. 84,000 in cash and was given 2% cash discount.

June 2: Paid workers' wages by cheque shs. 21,750

June 3: Sold goods worth sh. 240,000 and received cash after allowing 4% cash discount.

June 7: Received sh. 400,000 by cheque from a debtor after 2% cash discount was allowed.

June 10: Took sh. 80,000 to bank from the business.

June 13: Took stock of goods worth sh. 2000 from the business for personal use.

June 18: Paid sh. 2000 cash as part of water bill leaving a balance of sh. 1750 to be settled at a later date.

June 24: Received a cheque from John a debtor worth sh. 60,000 in settlement of his debt of sh. 66000.

June 28: All the cash at bank was taken to the business for office use except sh. 250,000.

Required: Enter the above transactions in a duly balanced two-column cash book. **(10 marks)**

6. (a) Explain five principles of insurance. **(10 marks)**

(b) Highlight five factors that may lead to a surplus in the balance of payment. **(10 marks)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 6)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES:

- Write your Name, School and Admission number in the spaces provided
- Answer **all** the questions in the spaces provided.
- Check that the question paper has all pages printed and that no questions are missing.

FOR EXAMINERS USE ONLY

QUESTIONS	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										

Answer **all** the questions in the spaces provided

1. Outline **four** methods of Trade restriction used by the government. (4mks)
2. **State** the effects of the following transactions on the balance sheet totals by writing increase decrease or no effect in each case. (4mks)
 - (i) Bought machinery on credit.....
 - (ii) Withdrew cash from the business for own use
 - (iii) Purchased stock in cash
 - (iv) Paid outstanding loan by cheque
3. List **four** benefits that may be enjoyed by Kenyans as a result of government initiatives to expand road and railway network in the country. (4mks)
4. Highlight **four** circumstances under which a firm would prefer open office layout. (4mks)
5. Outline **four** limitations of Barter trade. (4mks)
6. The following information was extracted from the books of Mangi traders on 30th June 2009.

Item	Sh
Purchases	720 000
Opening stock	165,000
Closing stock	?
Sales	980 000

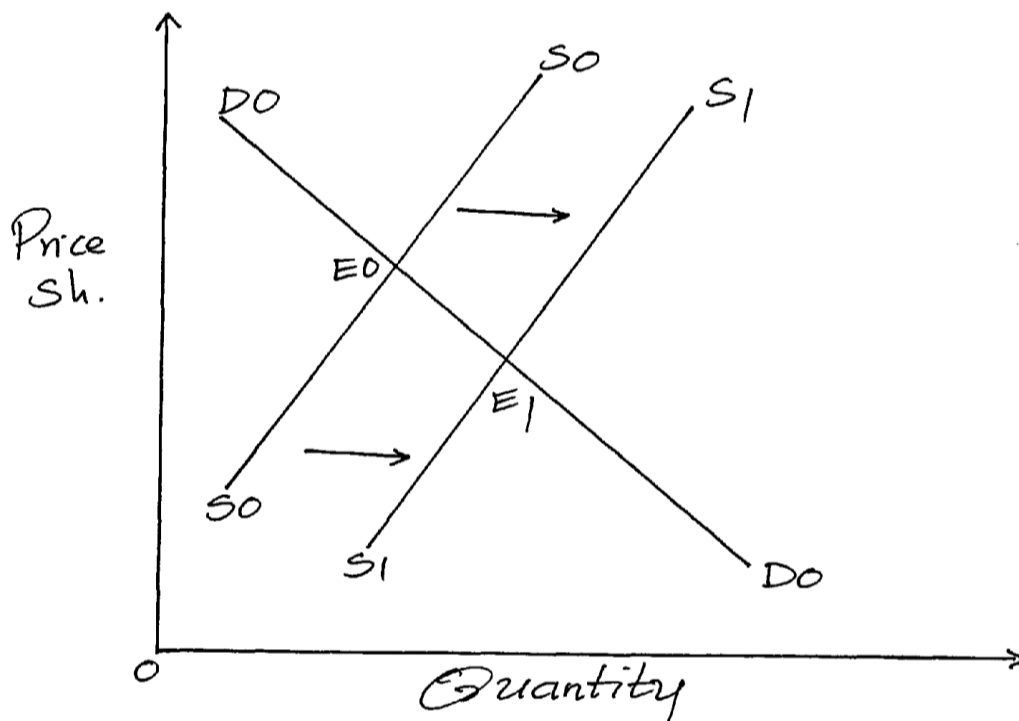
a) Additional information.

Margin 20%

Required: Prepare the Trading account for Mangi trades for the year ended 30th June 2009. (4mks)

7. Identify four factors that influence entrepreneurial practices in Kenya. (4mks)
8. Stima insured his house worth sh. 800 000 for sh. 700 000 and unfortunately the house was destroyed by an inferno and he sustained losses worth sh. 600000. Calculate the amount the amount of money that Stima should claim from the insurance company as a compensation and comment. (4mks)
9. **State** four reasons for popularity of WhatsApp as trend in communication. (4mks)
10. State four negative effects of overpopulation in a nation. (4mks)
11. State the type of unemployment relating to each of the following descriptions. (4mks)
 - i) Caused by alternating trading patterns occurring at similar times.
 - ii) Arises when a worker has more skills and higher qualification than the job requirement.
 - iii) Arises out of mismatch between the skills possessed by a potential employee and the job available.
 - iv) Arises when people are unwilling to take up jobs due to low pay.
12. Highlight **four** ways in which a warehouse may be useful to a trader. (4mks)
13. Outline **four** distribution channels of locally produced agricultural products. (4mks)

14. Outline **four** levels of inflation. (4mks)
15. State **four** measures that a consumer may undertake to satisfy the unlimited human wants. (4mks)
16. Give **four** differences between shares and debentures. (4mks)
17. **Highlight** four factors that a firm must take in the account when choosing on the products to produce. (4mks)
18. Below is a demand and supply curve. Highlight the factors that may have caused the supply curve to shift right ward. (4mrks)



19. **Outline** four circumstance under which a trader can issue a credit note to a customer. (4mks)
20. Highlight four advantages of indirect tax. (4mks)
21. Highlight **four** duties of commercial attaches in trade promotion. (4mks)
22. Outline **four** advantages of using celebrities in product promotion. (4mks)
23. Highlight four features of perfect competition market. (4mks)
24. Outline **four** problems encountered in development planning. (4mks)
25. Identify the book of original entry in which the following transactions can be recorded. (4mks)

Transaction	Book of original Entry
(i) Paid salaries by cheque	_____
(ii) Returned goods to a supplier	_____
(iii) Sold goods on credit	_____
(iv) Bought delivery van on credit	_____

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KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 6)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- a)** Write your name and index number on the answer booklet provided above.
- b)** Sign and write the date of the examination in the spaces provided above
- c)** This paper consists of six questions.
- d)** Answer any **five** questions in the spaces provided after question 6.
- e)** All questions carry equal marks.

FOR EXAMINER'S USE ONLY

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total Score	

1. a) **Assuming** you were planning to start a business after form four, explain any **five** factors you would consider when evaluating your business idea. **(10 marks)**
- b) **Distinguish** between whole life insurance policy and endowment insurance policy **(10marks)**
2. a) Explain **five** benefits that may be realized by a country as a result of government policy to relocate industries to rural areas. **(10 marks)**
- b) Outline **five** ways in which an office manager can ensure that the company's property is safeguarded. **(10marks)**
3. a) There has been a decline in the demand for wooden furniture in Kenya. Explain **five** factors that may have cause this trend. **(10 marks)**
- b) On 1st January 2022 Fadhili Traders had 180,000 cash in hand and a bank credit balance of sh 56800 . During the month the following transactions took place **(10marks)**

Jan

- 3rd cash sales sh 21,800
- 5th A debtor settled his account of sh 75,000 by cheque
- 10th Paid salaries sh 40,000 in cash
- 12th withdrew cash sh 3500 to settle a personal debt
- 23rd Received a cheque shs 11520 from Kavutha wholesalers after deducting 4% cash discount
- 24th Deposited sh 10,000 in the bank from office cash till
- 25th Purchased stock worth sh 8950 on credit from Ngumo distributors
- 26th Cash sales banked directly sh 38,000
- 27th A cheque received on 5th from debtor was dishonored. The bank charged him sh 500
- 29th Settled creditors account sh 6000 by cheque less 5% cash discount
- 31st Banked all cash except sh 20,000

Required: Prepare a three column cash book dully balanced **(10 marks)**

4. a) Apart from selling shares explain **five** sources of finance for a public limited company **(10 marks)**
- b) Inflation has been on the rise in the Kenyan economy, explain **five** monetary policies that can be used by the government to curb inflation **(10 marks)**

5. a) Explain **five** reasons for differences in terms of trade between countries (10 marks)

b) Jayden enterprises had the following trial balances for the year ended 2022.

Trial Balance As at 31 st December 2022		
Details	DR	CR
Insurance	20000	
Bad debts	30000	
Carriage inwards	50000	
Carriage outwards	20000	
Commission received		100000
Discount	100000	50000
Stock (1/1/2021)	100000	
Purchases	1000000	
Rent	40000	
Returns	150000	200000
Sales	-----	<u>1160000</u>
	<u>1510000</u>	<u>1510000</u>

Additional information: Stock as at 31st December 2022 was Sh. 250,000

Prepare a Trading Profit and Loss account for Jayden Enterprises for the year ended 31st December 2022 (10 marks)

6. a) State and explain **five** benefits of using computers in an office (10 marks)

b) Explain **five** reasons for which traders observe ethical practices in product promotion

(10 marks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 7)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HRS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES:

- Write your Name, School and Admission number in the spaces provided
- Answer **all** the questions in the spaces provided.
- Check that the question paper has all pages printed and that no questions are missing.

FOR EXAMINERS USE ONLY

QUESTIONS	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										

Answer **all** the questions in the spaces provided

1. List four reasons why a business exists. (4 Marks)
2. State four elements that constitute the internal business environment. (4 Marks)
3. Most firms are adopting electronic filing systems. Mention 4 demerits of using such a system (4 Marks)
4. Identify the type large scale retailers described by each of the following statements (4Marks)
 - i) Huge shopping complexes with many shops under one roof each under a different management
 - ii) Many shops under one roof and one management each selling a particular line of products
 - iii) Businesses where customers make their orders through the post
 - iv) Shops operated by one company and located in different areas where they sell specialized products
5. Highlight four circumstances under which a co-operative may be dissolved (4 Marks)
6. Highlight four barriers to effective **communication** (4Marks)
7. Identify four ways in which the efficiency of a warehouse can be guaranteed (4 Marks)
8. State four circumstances under which an insurance policy may be terminated (4 Marks)
9. Highlight four factors that may cause the supply curve to shift to the right (4 Marks)
10. State four measures that Kenya government may take to attract firms to an area. (4 marks)
11. The following is a representative basket of an average family.

Year	Prices
2019	6,000
2020	7,200

 Determine the increase in C.P.I using 2019 as a base year. (4 Marks)
12. Highlight four factors which may contribute to business failure (4 Marks)
13. Highlight four problems associated with the income approach of measuring the national income (4 Marks)
14. Highlight four features associated with a monopoly market structure. (4 Marks)
15. Outline four roles of transport in the facilitation of **trade** (4 Marks)
16. The following balances were extracted from the books of Maua Traders on 31st December, 2020.
Shs

Fixed assets	300,000
Current assets	123,700
Creditors	84,500
5 year loan	125,000

 Determine the net worth of the business as at 31st December 2020 (4 Marks)
17. Highlight three ways in which the introduction of money helped eliminate problems faced in barter trade (3 marks)

- 18.** Highlight four forms of economic integration **(4 marks)**
- 19.** State four measures that the government can use to encourage increase in the country's volume of exports. **(4 Marks)**
- 20.** Unemployment solving has been an agenda to Kenya. Identify the type of unemployment being solved below. **(4 marks)**
- (i) Government initiating irrigation projects to ensure continuous production of food
- (ii) Retraining teachers to embrace use of technology in teaching and learning
- (iii) Government and private sectors inventing job advertisement sites for easy access by job seekers
- (iv) Parliament passing legislation that accommodate the disabled people to acquire jobs
- 21.** The following information relates to Makini Traders for the year ending 31st December 2023.
- | | |
|-------------------|---------|
| Margin | 15% |
| Sales | 640,000 |
| Purchases | 480,000 |
| Stock on 1/1/2023 | 130,000 |
| Closing stock | ? |
- Required* Trading Account of Makini Traders for the year ending 31st December 2023. **(5Marks)**
- 22.** State any four types of advertising that a trader may **adopt** **(4 Marks)**
- 23.** State any four types of indirect taxes in **Kenya** **(4 Marks)**
- 24.** State four problems encountered at the plan implementation stage in economic planning and development **(4 Marks)**
- 25.** Wanja enterprises had the following assets and liabilities on 5th October 2021.

Item	Kshs
Equipment	800,000
Capital	1,200,000
Creditors	100,000
Debtors	200,000
Stock	250,000
Cash at bank	50,000

The following transactions took place on 7th October 2021.

- i) Bought goods for resale Ksh. 150,000 on credit
- ii) A debtor paid Ksh. 50,000 by cheque
- iii) Sold the equipment for Ksh. 700,000 cash

Required : Prepare Wanja enterprises balance sheet after the above transactions **(4 Marks)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 7)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HRS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- a) Write your name and index number on the answer booklet provided above.*
- b) Sign and write the date of the examination in the spaces provided above*
- c) This paper consists of six questions.*
- d) Answer any **five** questions in the spaces provided after question 6.*
- e) All questions carry equal marks.*

FOR EXAMINER'S USE ONLY

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total Score	

Answer any **five** questions

1. a) Labour is an important factor of production. Explain five barriers that may hinder its mobility as a factor of production. (10 marks)
- b) Explain five circumstances under which a high population growth may be desirable to a country. (10 marks)
2. a) **Explain five** factors that influence the amount of money held by an individual for transactionary motive. (10 marks)
- b) Manufacturers distribute their products to the final consumers through various channels. Explain five factors considered when choosing a particular channel of distribution. (10 marks)
3. a) On 1st June 2008 Happy Traders had cash in hand shs.5000 and cash at Bank shs7500. The following transactions took place during the month.

June 2: Bought goods in cash sh750
June 4: Paid salaries by cash shs. 3750
June 5 Received cheques from the following debtors after allowing 2% discount in each case, Kamau sh. 490, Jane sh. 980.
June 8: Paid the following accounts by cheque in each case deducting a 5% discount Otieno sh.1,500, Wanjiku sh.600.
June 12: Bought office machinery by cheque shs.2,500
June 20: Withdrew cash sh.500 for private use.
June 25: Cash sales sh.1000
June 26: Banked cash amounting to sh.500
June 29: Received shs.1,500 cash from Wanjohi a debtor.

Required: Prepare a three column cash book duly balanced. (12 marks)

b) **Explain four** reasons why the Government imposes tax on its Citizens. (8 mks)

4. (a) Outline five differences between a parastatal and a co-operative society (10mks)

(b) The table below shows the age distribution of a country.

Age (year)	%
0-15	45
16-55	31
56 and above	24

Explain five negative economic implications of this age distribution to a country (10mks)

5. (a) **Describe** the procedure that should be followed when taking an insurance policy (10mks)

(b) Zeraki Investment operates a wholesale business and the following information relates to various transactions during the month of May, 2019.

May 3 sold goods on credit to Anyimba sh 60,000

8 purchased goods on credit from Mjuaji stores sh 120,000

12 returned goods bought on credit from Mjuaji stores sh 6,000

16 purchased goods on credit from Mjuaji stores sh 160, 000

22 sold goods on credit to Mafala retailers sh 150,000

23 bought a new motor vehicle from Mashariki motors worth sh 3,200,000
on credit

24 Anyimba returned goods worth sh 10,000 to the business

29 sold equipment worth sh 840,000 on credit to Chap Chap limited.

Record these transactions into Zeraki investment books of original entry. (10mks)

6. a) Motorcycles have become a common feature in transport in Kenya. Outline **five** reasons that explain the rapid growth of motorcycle transport in Kenya (10 mks)

b) **Explain FIVE** reasons for the existence of small firms despite competition from large scale firms (10mks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 8)

BUSINESS STUDIES

565/1

PAPER 1 (THEORY)

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

(g) Write your name, admission number and class in the spaces provided above.

(h) This paper consist of 25 questions

(i) Answer **all** the questions in the spaces provided

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

16	17	18	19	20	21	22	23	24	25

TOTAL

--

Answer **all** the questions

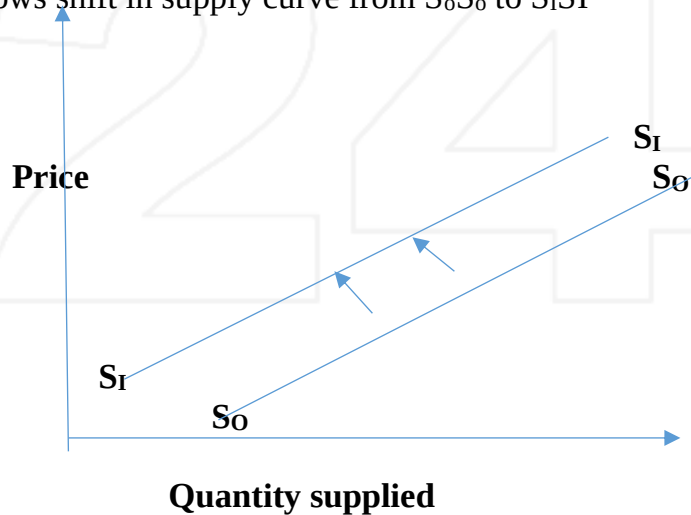
1. Outline **four** ways in which business studies may be of benefit to an individual. (4mks)
2. Highlight **four** demographic factors that may affect the performance of a business. (4mks)
3. Mention the factor of production to which each of the following resources relate. (4mks)

Resource	Factor of production
(a) Manager	
(b) Cotton	
(c) Owner	
(d) Factory	

4. Fill in the missing figures in the following table. (4mks)

Liabilities	Capital	Fixed assets	Current assets
401,400	640,900	750,700	W
X	739,200	925,600	259,100
586,800	Y	980,250	205,100
436,000	340,000	Z	264,900

5. The diagram below shows shift in supply curve from S_0S_0 to S_1S_1



- State **four** factors that may account for the above shift. (4mks)

6. The management of Rembo traders operates an open office layout. State four advantages the management gets from this layout. (4mks)
7. State **four** differences between Life Assurance and General insurance. (4mks)
8. State **four** benefits that a trader may get by advertising products in a newspaper. (4mks)
9. Highlight **four** problems which may be encountered when measuring national income using output approach. (4mks)

10. Highlight the role of consumer organisations in consumer protection. (4mks)

11. Maendeleo Traders had the following Assets and Liabilities as at January 2020

Furniture	300,000
Equipment	50,000
Debtors	45,000
Cash	7,000
Creditors	48,000

For the year ended 31st December 2020 there was

(i) Additional capital introduced amounting to Sh. 34,000

(ii) Drawings made during the year amounting to Sh. 20,000

(iii) Net profit amounting to Sh 34,000

Determine the capital of the business as at 31st December 2020. (4mks)

12. Farida company has developed a new product in the market. Outline four methods that may be used to determine the price of the product. (4mks)

13. Outline **four** current trends in the transport sector in Kenya. (4mks)

14. State **four** features of a parastatal. (4mks)

15. Indicate the type of journal in which each of the following transactions would be recorded.

(4 mks)

	Transaction	Journal
(i)	Purchase of goods on credit	
(ii)	Sale of Machinery on credit	
(iii)	Goods previously bought on credit returned to the suppliers	
(iv)	Correction of an error in account	

16. State the type of unemployment described in each of the following:- (4MKS)

(a) Where people have temporarily lost jobs and are seeking for new ones.

(b) Where people are rendered jobless at a certain period of the year.

(c) Where people lost jobs due to change in technology.

(d) Where people lose jobs during a period of economic recession.

17. The following balances were extracted from the books of Haraka Traders as at 30th June 2023.

Shs

Sales	1,400
Carriage outwards	6,000
Discount allowed	11,000
Discount received	5,000
Returns inwards	12,000
Commission received	3,000
Purchases	2,000
Bank	50,000
Cash	80,000
Debtors	20,000
Capital	150,000
Creditors	9,000

Prepare Haraka Traders Trial balance as at 30th June 2023

18. Outline four factors which may limit the effectiveness of a warehouse. (4MKS)

19. Mention the type of document described in the statements below: (4MKS)

- (a) A document sent with the purpose of correcting an overcharge. _____
- (b) A document sent to reply to a specific letter of inquiry. _____
- (c) A document sent to demand for payment of goods sold. _____
- (d) A document sent to request the seller to supply goods indicated. _____

20. The following information relates to Uwezo traders for the year ended 31st December 2023.

(4MKS)

Sales	480,000
Stock (1/1/2023	60,000
Stock (31/12/2023	30,000
Margin	25%

Determine:

- (a) Gross profit (1 mk)
- (b) Cost of sales (1 mk)
- (c) Rate of stock turn over. (2 mks)

21. Outline **four** features of money that enables it to facilitate the exchange of goods and services. (4 mks)

22. Mention **four** circumstances under which a partnership may be dissolved. (4mks)

23. Highlight **four** challenges of locating firms at a central place. (4mks)

24. State **four** uses of cash book. (4mks)

25. Outline **four** characteristics of basic wants. (4mks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 8)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- f) Write your name and stream in the space provided above.*
- g) This paper consists of six questions*
- h) Answer any **five** questions of your choice in the spaces provided.*
- i) All questions carry equal marks*
- j) Students should answer the questions in English.*

For Examiner's Use Only

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

Answer any **five** questions

Answer any five Questions

1(a) Explain five differences between a public corporation and a public limited company. **(10 mks)**

(b) Explain five factors that would lead to increase in the level of National income. **(10 mks)**

2(a) Explain five factors that hinder entrepreneurial activities in a country. **(10 mks)**

(b) Makhisa traders started a business on 1st January 2022 with cash in hand sh. 50,000 and cash at bank sh. 19,000. His transactions during the month of January, 2022 were as follows:

Jan 1	:	Bought furniture worth sh. 10,000 by cash.
Jan 2	:	Deposited sh. 5,000 cash in the business bank account from the cash till.
Jan 5	:	Sold goods to Michael worth sh. 7,900 on credit.
Jan 12	:	Makhisa disposed off a van at sh. 70,000 receiving Payment of sh. 27,000 by cheque and a balance in cash.
Jan 15	:	Paid rent sh. 1,700 cash.
Jan 16	:	Paid salaries sh. 2,200 by cheque.
Jan 20	:	Received donations sh. 15,000 by cheque.
Jan 22	:	Withdrew cash sh. 10,000 for personal use.
Jan 28	:	Transferred all cash into the bank except sh. 1,000.

Required:

Prepare a two column cash book for Makhisa traders for the month of January, 2022. **(10 mks)**

3(a) Explain five roles of middlemen in the chain of distribution. **(10 mks)**

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

4(a) Explain five benefits of mobile banking to customers. **(10 mks)**

(b) The following trial balance was extracted from the books of Atiti trader for the year ended 31st December 2021.

Atiti Traders
Trial Balance
As at 31/2/2021

Details	Dr (Shs)	Cr (Shs)
Capital		250,000
Drawings	33,000	
Stock (1/1/2021)	47,000	
Purchases	300,000	
Sales		420,000
Returns	4,000	7,000
Carriage outwards	10,000	
Carriage inwards	28,000	
Discounts	4,000	14,000
Motor vehicle	130,000	
Furniture	25,000	55,000
Creditors		
Premises	100,000	
Debtors	50,000	
Bad debts	<u>15,000</u>	
	<u>746,000</u>	<u>746,000</u>

Additional information.

Stock at 31st December 2021 was valued sh. 55,000.

Required

Prepare

(i) Trading, profit and loss account for the year ended 31st December 2021.

(ii) Balance sheet as at 31/12/2021.

5(a) Explain five ways in which inflation can be controlled by the government. **(10 mks)**

(b) Explain five barriers to effective communication. **(10 mks)**

6(a) Explain five disadvantages of using direct taxes to raise government revenue. **(10 mks)**

(b) Explain five circumstances in which a firm may acquire monopoly Power. **(10 mks)**

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 9)

BUSINESS STUDIES

565/1

PAPER 1

TIME: 2 HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES:

- (a)** Write your name, index number in the spaces provided above.
- (b)** Sign and write the date of examination in the spaces provided above.
- (c)** Answer all questions in the spaces provided in the questions paper.
- (d)** Non-Programmable silent electronic calculators may be used.
- (e)** Candidates should answer the questions in English.

QNS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Total
score																										

Answer all questions in the spaces provided

1. List four elements of economic environment that may positively influence business operations. (4 marks)

2. Highlight four circumstances under which a trader may offer after sale services to a trader. (4 marks)

3. Name the type of wholesaler described in each of the statements below. (4 marks)

	Statement	Wholesaler
a	Specialised in selling particular lines of goods to retailers	
b	Customers given chance to pick goods they want and pay for them on the spot	
c	Deal with wide variety of goods	
d	Distribute their products in all parts of the country	

4. State four factors that may influence a farmer to use a short channel for distributing his farm produce. (4 marks)

5. **Outline** four consequences of poor arrangement of goods in a public warehouse. (4 marks)

6. **List four** types of direct taxes that the government may use to collect revenue from individuals and companies. (4 marks)

7. For each of the following transactions state the account to be debited. (4 marks)

	Transaction	Account debited
(a)	Proprietor took cash for personal use.	
(b)	Bought goods and paid by cheque.	
(c)	Proprietor paid rent in cash.	
(d)	Paid Job (creditor) from private source.	

8. Highlight four benefits that the bank and the customers derive from agency banking. (4 marks)

9. Distinguish between ordinary shares and debentures. (4 marks)

10. The following information relates to average prices of exports and imports in 2021 and 2022 of country k.

Year	Average price of export	Average prices of imports
2021	100,000	400,000
2022	120,000	650,000

Required

- (a). Calculate the terms of trade. (3 marks)
- (b). Comment on the term of trade calculated. (1 mark)

11. Name the type of supply described in each of the following cases. (4 marks)

- (a). One product is a by-product of another
- (b). Supply of one product reduces supply of another product.
- (c). A product can be supplied from two or more sources
- (d). **Quantities** supplied over the quantities that customers are able to buy

12. The table below shows some entries in cash book of CMC traders for the month of July 2020.

Two column cash book

Dr					Cr			
Details	Details	Cash	Bank		Date	Details	Cash	Bank
2020 July					2020			
July 1	Balance c/d	15,000			July 1	Balance b/d		100,000
July 6	cash		20,000		July 6	Bank	20,000	
July 20	Sales		15,000		July 15	Wages	5,000	
July 28	Debtors	20,000			July 29	Stock		10,000
					July 31	Balance c/d	10,000	

State the meaning of the following entries. (4 marks)

- (a). July 31, 2020, Balance c/d sh 10,000
- (b). July 1, 2020, Balance b/d, bank column, shs 100,000
- (c). July 28, 2020 Debtors Shs 20,000
- (d). July 6, 2020 cash sh 20,000 and bank shs 20,000.

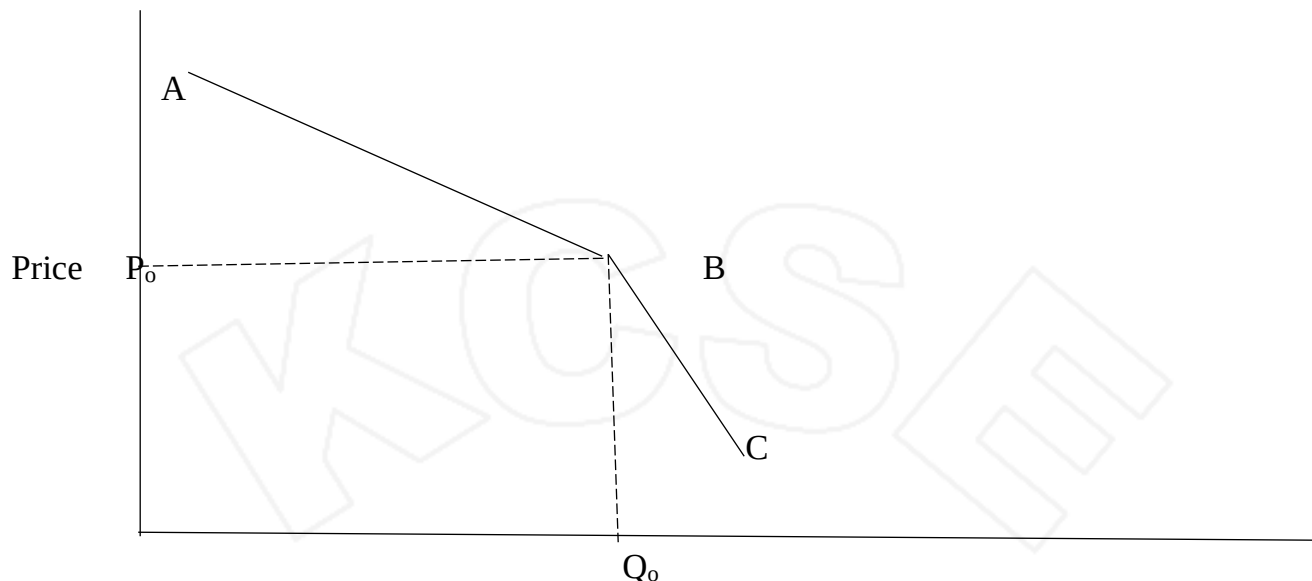
13. List four challenges experienced in calculation of consumers' price index. (4 marks)

14. Give four uses of general Journal. (4marks)

15. Name the insurance policy a school can take to cover the following risks. (4 marks)

	Risk	Policy
(a)	Injury caused by a school bull to a passer-by	
(b)	Losses arising from a debtors failure to pay their debt.	
(c)	Loss of cash when being transported to bank.	
(d)	Loss of goods through dishonesty of an employee	

16. Outline four advantages of specialization in production. **(4 marks)**
17. State four disadvantages of using machines in an offices. **(4 marks)**
18. The diagram, below illustration price and output determination in an oligopoly market structure. Use it to answer the following questions. **(4 marks)**



- (a). What is the name given to the demand curve above
- (b). What is the effect of setting price above P_o
- (c). What is the effect of setting price below P_o
- (d). Name the point labelled B

19. **Outline** four problems that a country could face during implementation stage of a development plan. **(4 marks)**

20. Highlight four demerits of government involvement in business activities. **(4 marks)**

21. **The** following information was obtained from the books of Omoi traders for the period ended 30th June 2023

Sales	500,000
Opening stock	80,000
Purchases	320,000
Closing sock	40,000
Debtors	140,000
Creditors	90,000

Required

- (i). Calculate margin. **(1 mark)**

- (ii). Current ratio (1 mark)
- (iii). Rate of stock turn over (1 mark)
- (iv). Give the importance of margin. (1 mark)
22. Highlight four benefits that Kenya reaps due to the completion of the Lamu port and Lamu-South-South - Sudan-Ethiopia transport corridor. (4 marks)
23. Outline four ways in which political instability discourage entrepreneurial development in a country. (4 marks)
24. **State** four disadvantages of locating a business away from other businesses. (4 marks)
25. **Outline** four advantages of high population. (4 marks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 9)

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME.....

SCHOOL..... SIGN.....

INDEX NO..... ADM NO.....

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES:

1. Write your **name** and **index number** on the answer booklet provided
2. This paper consists of six questions
3. Answer any **five** questions
4. All questions carry equal marks
5. 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 any **five** measures a country may adopt to increase its volume of exports. (10 marks)
- (b) Explain **five** characteristics of economic resources. (10 marks)
2. (a) Dr. Korir a surgeon opened up a clinic in his rural home of Kapkoros. The business closed after six months. Explain **five** reasons for the business failure. (10 marks)
- (b) Highlans Ltd started business on 1st May 2022 with sh.250,000 consisting of:
- Cash at bank Shs.200,000,
 - Cash in hand Shs.30,000,
 - Furniture Shs.20,000.
- The following transactions took place during the month of May.
- 3rd May 2022, Motor van worth Shs.85,000 and stock of Shs.25,000 were bought on credit
- 6th May 2022, more stock worth shs.10,000 was bought on cash
- 9th May 2022, withdrew money from bank sh.50,000 for office use
- 15th May 2022, sold stock to a customer on credit worth shs.18,500
- 19th May 2022, received a cheque for the full settlement of a debt owed from the transaction of 15th May 2022.
- 23rd May 2022, paid Shs. 65,000 by cheque for the motor van bought earlier on credit
- 31st May 2022, paid Shs 20,000 cash for the stock bought on credit

Required:

Prepare the balance sheet of Uhuru Highway Ltd as at 31st May 2022 (10 marks)

3. (a) Explain **five** measures that Kenya government should adopt to solve the widespread cases of unemployment. (10 marks)
- (b) Discuss any **five** current trends in communication (10 marks)
4. (a) Explain **five** Money transfer facilities provided by commercial banks (10 marks)

(b) On 1st May, 2010 Musa Traders had Shs 15,000 cash in hand and shs.160450 at bank.

During the month the following transactions took place.

May 2 Bought goods for Shs. 5,400 and paid by cheque.

May 8 Received sh 7,200 cash from a debtor

May 15 Paid a creditor Sh.18,300 by cheque

May 16 Paid salaries sh 4,200 in cash

May 18 Sold goods for sh. 9,200 and was paid by cheque

May 20 Withdrew sh 30,000 from bank for office use

May 25 Received sh.8,000 cash from a debtor

May 28 Paid general expenses sh.4,000 cash

May 29 Deposited sh.10,000 cash in bank

May 30 Paid for electricity sh.2,500 by cheque

Record the above transactions in a two column cash book and balance it off. **(10marks)**

5. (a) Explain **five** ways in which the Kenyan government can tackle the current high inflation.

(10 marks)

(b) Describe **five** channels of distribution that may be followed by imported manufactured goods.

(10 marks)

6. (a) Explain **five** functions of the stock exchange market.

(10 marks)

(b) Give **five** differences between small scale firms and large scale firms.

(10 marks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 10)

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME..... ADM NO;

CLASS..... DATE.....

SIGN:

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

(j) Write your name, admission number and class in the spaces provided above.

(k) This paper consist of 25 questions

*(l) Answer **all** the questions in the spaces provided*

For Examiners use only

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

Question	15	16	17	18	19	20	21	22	23	24	25	TOTAL
Marks												

Answer **all** the questions

1. Identify four importance of learning business studies to an individual. (4 Marks)
2. Identify four factors that influence entrepreneurial practices in Kenya. (4 Marks)
3. Identify four ways in which an office is important to a business. (4 Marks)
4. Outline four ways in which a well laid out business structure is likely to lead to success of the business. (4 Marks)
5. Highlight four forms of economic **integration** (4 Marks)
6. Outline the importance of trade to a country. (4 Marks)
7. The quantity demanded and supplied of a certain commodity can be expressed as $Q_d=50+16p$ and $Q_s= 20+20p$ respectively.
Find; Equilibrium price (2 Marks)
Equilibrium quantity (2 Marks)
8. Highlight four disadvantages of direct production. (4 Marks)
9. List four circumstances under which the location of a warehouse can be inappropriate.(4 Marks)
- 10.State four circumstances that will make the standard gauge railway more desirable than road. (4 Marks)
- 11.Outline four characteristics of sole proprietorship form of business (4 Marks)
- 12.A business had the following record for the year ended 31st December 2022 (4 Marks)
sh.
Capital as at 31/12/18 64,000
Net profit for the year 14,000
Capital as at 1st Jan 2018 42,000
Monthly drawings 1,500
Calculate the additional investments made during the year
- 13.Give four limitations of consumer initiated methods in consumer protection. (4 Marks)
- 14.In the table below, indicate the type of advertising which fits the description. (4 Marks)

Description	Type
a) Create awareness about a product	
b) Promotes the name of the manufacturer	
c) Persuades a particular brand of a product	
d) Promotes a particular brand of a product	
- 15.Highlight four factors to be considered by a business when choosing a means of communication (4 Marks)
- 16.State the meaning of the following terms as used in **insurance** (4 Marks)
Indemnity

Third party motor vehicle insurance

Contribution.

Subrogation

17. State 4 features of a monopolistic market that differentiates it from a monopoly market

(4 Marks)

18. Open relevant ledger accounts using the following information.

(4 Marks)

1/2/2011 started business with sh. 10,000 in cash and sh. 50,000 at bank.

2/2/2011 Bought goods on credit from LK traders worth sh.5000

4/2/2011 Withdrew sh. 2000 from bank for office use.

19. Outline four principles that guide a government in spending public **finance**

(4 Marks)

20. State four negative implications of ageing population in a **country**

(4 Marks)

21. Identify four factors that may cause demand- pull inflation to occur in a country **(4 Marks)**

22. Identify the book of original entry associated with the following source documents given below.

(4 Marks)

Source documents

Book of original entry

i. Invoice received

ii. Credit note received

iii. Receipt issued

iv. Credit note issued

23. The following information relates to Mumbua traders for the year ended 31st April 2024.

Shs.

Cash at bank	30,000
Cash in hand	40,000
Current liability	500,000
Sales	920,000
Opening stock	150,000
Closing stock	230,000

Margin 25%

Expenses 15% of sales

Determine

i) Gross profit

(1Mark)

ii) cost of sales

(1Mark)

iii) Purchases for the year

(1Mark)

iv) Net profit

(1Mark)

24. State any four money transfer facilities offered by commercial **banks**

(4 Marks)

25. State four problems encountered at the plan implementation stage in economic planning and development

(4 Marks)

KCSE 2024 REPLICA PREDICTION

(POSSIBLE TRIAL 10)

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME..... ADM NO;

CLASS..... DATE.....

SIGN:

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

- k) Write your name and stream in the space provided above.*
- l) This paper consists of six questions*
- m) Answer any **five** questions of your choice in the spaces provided.*
- n) All questions carry equal marks*
- o) Students should answer the questions in English.*

For Examiner's Use Only

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

Answer any **five** questions

1.a) Explain **Five** features that are common to under-developed countries. **(10marks)**

b) Outline **Five** differences between public limited companies and private limited companies.

(10marks)

2.a) Explain **Five** methods that the central Bank of Kenya can use to increase the amount of money in circulation. **(10marks)**

b) Explain **Five** factors that would determine the size of a firm **(10marks)**

3.a) Explain **Five** benefits of insurance to the Kenyan economy. **(10marks)**

b) The following balances were extracted from the books of Mwalimu Traders on 1st January 2022.

ITEMS	KSH
MOTOR VAN	200,000
MACHINERY	200,000
DEBTORS	60,000
STOCK	80,000
CASH	240,000
CAPITAL	210,000
CREDITORS	180,000
2YEARS LOAN	390,000

The following transactions took place during the period ended 31st January, 2022.

i) Sold machinery worth Ksh 60,000 for Ksh 100,000 and received the whole amount in cash.

ii) Cash of Ksh 10,000 was taken from the business to pay the son's school fees.

iii) Purchased goods worth Ksh 80,000 and paid Ksh 50,000 in cash the balance was still outstanding at the end of the month.

iv) Opened a business bank account and deposited Ksh 50,000 from the cash box.

Required:

Draw Mwalimu Traders balance sheet as at 31st January, 2022. **(10marks)**

4.a) Explain **Five** circumstances under which cash with order(C.W.O) would be preferred by a retailer. **(10marks)**

b) Describe **Five** channels of distribution that a Kenyan farmer would use to ensure his flowers reach consumers abroad. **(10marks)**

5.a) Highlight Five benefits of an efficient transport system to the Kenyan economy. **(10marks)**

b) County X, has been experiencing low levels of national income. Explain **Five** possible causes of the situation. **(10marks)**

6.a) Outline Four problems associated with specialisation and division of labour to the workers. **(8marks)**

b) The following information relates to Viola Traders for the Month of May 2023.

May 1. Started business with cash Ksh 180,000 and a bank overdraft of Ksh 450,000.

3. Received a cheque of Ksh 1,500,000 from Maina a debtor.

7. Cash sales Ksh 280,000

10. Jared, a creditor was paid his account of Ksh 600,000 by cheque of Ksh 400,000 and the balance by cash.

14. Received commission in Cash Ksh 150,000

16. A debtor, Abdul, paid his account of Ksh 185,000 by cheque less 2% cash discount.

17. Paid for the rent expenses Ksh 10,000

18. Juma bought goods on credit worth Ksh 10,000

21. Withdrew Ksh 100,000 from the bank to pay hospital bill.

24. Paid cash Ksh 133,280 to Kanai after deducting 2% cash discount.

25. Juma paid in cash the value for goods bought on credit.

26. The owner introduced cash Ksh 10,000 into the business from private sources.

27. Paid salaries Ksh 120,000 by cheque.

28. Withdrew Ksh 30,000 from the bank for office use.

29. Banked all cash except Ksh 50,000

Required:

Prepare a three column cash book fully balanced

(12marks).

***To Obtain Copies of Respective Marking
Schemes / Answers***

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