IKUTHA SUB-COUNTY KCSE REVISION MOCK EXAMS 2015

BUSINESS STUDIES

PAPER 2

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SCHOOL _____ SIGNATURE _____

DATE _____

565/2

BUSINESS STUDIES

PAPER 2

JULY/ AUGUST, 2015

TIME: 2½ HOURS

IKUTHA SUB-COUNTY FORM FOUR JOINT EXAMINATION, 2015

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

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

INSTRUCTIONS TO CANDIDATES

1. Write your name, school and index number in the spaces provided above.
2. Write the date of examination and sign in the spaces provided above.
3. This paper consists of **6** questions.
4. Answer **any five** questions.
5. Write your answers in the spaces provided in pages 3 – 12.
6. All questions carry equal marks.
7. This paper consists of **12** printed pages.
8. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

FOR EXAMINER'S USE ONLY

Question	Maximum score	Candidate's score
1	20	
2	20	

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3	20	
4	20	
5	20	
6	20	
	Total score	

1. a) Outline **five** ways in which commercial attaches may promote trade between their country and other countries. (10 marks)

   b) Kenya economy is experiencing rapid growth of microfinance institutions, (e.g. Faulu Kenya, KWFT etc). Explain **five** roles of existence of such institutions. (10 marks)

2. a) Explain **five** reasons why a country would carry out development planning before undertaking her projects. (10 marks)

   b) Explain **five** factors that may lead to demand pull inflation. (10 marks)

3. a) Explain **five** uses of national income statistics to an economy. (10 marks)

   b) With the aid of an appropriate labelled diagram, explain four circumstances under which supply curve may shift to the right hand side. (10 marks)

4. a) Explain **five** factors that may limit adoption of modern technology in business. (10 marks)

   b) The following information relates to Orengo Traders as on 31/12/2013. (10 marks)

	Shs.
Capital	165,000
Wages	11,460
Carriage on sale	5,000
Discount allowed	2,000
Gross profit	45,000
Commission received	3,000
Electricity bill	1,500
Rent	16,540
Premises	180,000
Furniture	50,000
Debtors	61,540
Cash in hand	60,000
Additional investment	20,000
Cash in bank	2,000

5 year bank loan	80,000
Creditors	77,040

Required

i) Prepare a profit and loss account for the period ended 31/12/2013.

ii) Balance sheet as at 31/12/2013.

5. a) Explain **five** reasons that may lead to the ineffectiveness of consumer association in protecting consumers in Kenya. (10 marks)

b) Explain **five** benefits an importer would get by storing goods in a bonded warehouse. (10 marks)

6. a) Explain **five** benefits of being a member of economic bloc such as East African Community to a country like Kenya. (10 marks)

b) The following transactions relating to Mwenda Investment took place in the month of May 2013.

2013

May 2 Sold goods on credit to Paul Sh. 24,000 and Mercy Sh. 32,000

May 4 Bought goods on credit from Kanyi Traders Sh. 80,000

May 8 Paul returned goods worth Sh. 4,000

May 15 Purchased goods on credit from Elizabeth Sh. 68,000 and John Traders Sh. 62,100

May 16 Goods worth sh. 12,000 were returned to Kanyi Traders and goods worth sh. 6,000 to Elizabeth

May 20 Goods sold on credit to Paul sh.16,000, Everlyne Sh. 22,000 and Cosmus sh. 26,000

May 26 Goods returned by Stella Sh. 4,000

Required.

Prepare the relevant journals. (10 marks)