# KATULANI SUB-COUNTY KCSE REVISION MOCK EXAMS 2015

# BUSINESS STUDIES
# PAPER 2

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**565/2**

**BUSINESS STUDIES**

**PAPER 2**

JULY/AUGUST, 2015

**TIME: 2½ HOURS**

# KATULANI 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

(a) This paper consists of six questions.

(b) Answer **any five** questions only.

(c) Write your answers in the spaces provided after question 6.

(d) All questions carry equal marks.

FOR OFFICIAL USE ONLY.

| QUESTION | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| SCORE | | | | | | |

| TOTAL SCORE |
|---|
| |

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*This paper consists of 8 printed papers.*
*Candidates should check to ensure that all pages are printed as indicated and no questions are missing*

1. a) Explain any **five** roles played by a warehouse in the production process. (10 marks)

   b) Explain **five** problems faced by consumers in satisfying human wants. (10 marks)

2. a) Discuss **four** factors that have hindered the expansion of railway transport in Kenya. (8 marks)

   b) Joy traders started business with sh 400,000 in cash on 1/1/2014.

   2014

   January 2: Deposited sh. 200,000 cash in the bank
   5: She bought stock in cash sh 20,000
   6: She took Sh. 10,000 cash to pay school fees for her son
   7: She paid salaries, sh 40,000 by cheque
   8: She sold goods for sh 40,000 cash
   9: She paid salaries Sh 4000 by cheque.

   *Required*

   i) Enter the above transactions in Joy Traders ledger accounts. (7 marks)

   ii) Balance the ledger accounts and extract a trial balance as at 9th January 2014. (5 marks)

3. a) Discuss any **five** ways of controlling cost push inflation. (10 marks)

   b) Explain **five** roles of the Nairobi stock exchange as a market for securities. (10 marks)

4. a) Explain **five** reasons why indirect taxes may be preferable to direct taxes as a source of government revenue. (10 marks)

   b) Explain **five** ways of making face-to-face communication effective. (10 marks)

5. a) Describe **five** principles of insurance contracts. (10 marks)

   b) Explain **five** indicators of under development in less developed countries. (10 marks)

6. a) Explain **five** roles that intermediaries play in the chain of distribution. (10 marks)

   b) The following trial balance was extracted from the books of Kwale Traders on 31st December 2010.

Kwale Traders
Trial Balance
As at 31st/12/2010

| Details | DR | Cr |
|---|---|---|
| Capital | | 400000 |
| Sales | | 600000 |
| Purchases | 200000 | |
| Debtors | 20000 | |
| Creditors | | 60000 |
| Returns | 25000 | 15000 |
| Discounts | 6000 | 8000 |
| Carriage inwards | 6500 | |
| Carriage outwards | 15000 | |
| Salaries | 10000 | |
| Stock 1st January | 18000 | |
| Motor vehicle | 400000 | |
| Furniture | 150000 | |
| Rent | 49000 | |
| Commission | 50000 | |
| Electricity | 43500 | |
| | **993,000** | **993,000** |

Stock on 31st December 2010 was sh. 20,000

Prepare a trading, profit and loss A/C for the Year ended 31st December, 2010. (10 marks)