

FORM FOUR TERM ONE EXAM 2017

BUSIENESS PAPER 2

MARKING SCHEME

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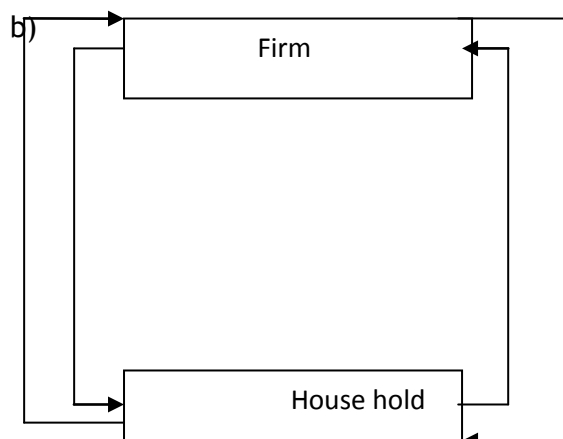
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BUSIENESS PAPER 2

MARKING SCHEME

1. a) Source of funds for investment

- compensation is given
- can meet other financial obligation i.e. salaries
- dividends can be paid to owner
- create employment
- pay tax to government



- ← Injections
- ← Investment
- ← Government expenditure
- ← Export

2. a)

Dr	Cr
bal b/f 24,000	bank 24,000
6,000	
<u>24,000</u>	<u>24,000</u>

Dr	Cr
Capital 24,000	purchases 18,000
	Bal c/f
<u>24,000</u>	<u>24,000</u>

Dr	Cash A/C	Cr
Sales 18,900	rent 150	
Sales 5625	comm. 900	
	Bal 23475	
	<u>24525</u>	

Dr	Sales A/c	Cr
Bal. B/f 24525	cash 18900	
	Cash 5625	
24525	24525	
	<u>24525</u>	<u>24525</u>

Dr	rent A/c	Cr
Bank 150	bal C/F 150	
150	<u>150</u>	

Dr	Cr
cash 900	bal C/f 900
<u>900</u>	<u>900</u>

Dr	purchase A/C	Cr
Bank 18,000	bal 18,000	
<u>18,000</u>	<u>18,000</u>	

b)- Occupies less space

- Retrieving information is easy
- Computer is multifunctional i.e analyse data
- Office is neat and tidy
- Stores large amount of information
- Less operational costs
- Not easily manipulated

3. a)It acts as a custodiam of the reserves held by commercial banks

- it supervises the operations of the commercial banks to ensure they are within the established laws
- it advises commercial banks on financial matters
- it offers central clearing house
- it is a lender of last resort to commercial banks
- it issues currency to commercial bank
- it sells and buys foreign currency to and from commercial banks
- it acts as a mediator for commercial banks in case of disputes between them

b. - Measure of economic growth

- Planning purpose
- Measure of standards of living
- Investment decisions
- Distribution of income
- Provide information on relative sizes of the various of breakdown on consumer expenditure government expenditure
- For comparison purposes.

4. a) - nature of goods

- Marketing costs
- Size of the market
- Scale of production
- Marketing risks
- Government policy
- Level of competition

b. - National wholesalers

- Regional wholesaler
- Specialized wholesalers
- General line wholesalers
- General merchants wholesalers
- Mobile wholesalers
- Cash and carry wholesalers
- Rack jabbers

5. a) - Attractive personality

- Ability to assess the customers
- Politeness and courtesy
- Thorough knowledge of the product

- Aggressiveness
- Confidence
- Honesty

b) Safety to goods

- Facilitate easy handling of goods
- Special containers for special goods
- Low insurance premiums
- Saves on space
- Saves on labour
- Saves time in handling goods

6. a) Accomplishment of purpose

- Bankruptcy
- Mutual agreement
- Dissolution by law
- Continuous loss making
- Change in law
- Disagreement among partners
- Change in membership

b) Book point

Trading, profit and loss A/c for the year ended

Opening stock	21,000	sales	82,000
Purchases	40,000	less ret inwards	2,000
G.A.S	61,000		
Less closing stock	10,000		
Cost of sales	51,000		
Gross profit	<u>29,000</u>		
	<u>80,000</u>		<u>80,000</u>
Rent	3,000	Gross profit	29,000
Sales expenses	18,000	Discount received	3,000
Net profit	<u>11,000</u>		
	<u>32,000</u>		<u>32,000</u>