

565/2
BUSINESS STUDIES
PAPER 2
JULY 2013
TIME: 2 ½ HOURS

ALLIANCE HIGH SCHOOL
TRIALS EXAMINATION JULY 2013
BUSINESS STUDIES

Business Studies
Paper 2

INSTRUCTIONS TO CANDIDATES:

- This paper consists of six questions
- Answer any five questions.
- Write your answers in the answer booklet provided
- All questions carry equal marks

This paper consists of 2 printed pages. Candidates should check to ascertain that all papers are printed as indicated and that no questions are missing

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- 1. a) Recently there has been a general rise in the price of consumer goods and services in Kenya. Explain five negative effects of this trend. (10 marks)
- b) Explain five ways in which an efficient road transport system may promote trade within a country. (10 marks)
- 2. a) Discuss five ways of improving the efficiency of a public warehouse. (10 marks)
- b) Allcom manufactures household goods. Explain five insurance policies that may be useful to the business. (10 marks)
- 3. a) Explain five benefits that consumers are likely to enjoy from product differentiation. (10 marks)
- b) Explain five reasons for the rapid growth of the cell phone banking services in Kenya. (10 marks)

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

Age (year)	%
0-18	45
18-60	30
60 and above	25

- Explain five negative economic implications of this age distribution to the country. (10 marks)
- b) Describe five channel of distribution for imported manufactured goods. (10 marks)
- 5. a) Explain five challenges faced by a manufacturer who sells his/her products directly to the consumer. (10 marks)
- b) Explain five factors that are necessary for the realization of the vision 2030 development goals of Kenya. (10marks)
- 6. a) Explain five ways in which the functions of commercial banks differ from those of non-bank financial institutions. (10 marks)

b) The following information relate to Kingtop Traders for the year ended 31st April 2013

Sales	400,000	Margin	40%
Rate of stock turnover	6 times	General expenses	40,000
Opening stock	30,000	Equipment	580,000
Debentures	80,000	Capital	600,000
Creditors	50,000	Bank	130,000
Cash	30,000	motor cycle	60,000

Required prepare:

- (i) Trading, profit and loss account (5marks)
- (ii) Balance sheet as at 31/4/2013 (5marks)

d)

25. Given the following items of Baraka Wholesalers;

Capital on 1 st Jan. 2000	630,000/=
Capital on 31 st Dec. 2000	690,000/=
Additional investment	200,000/=
Drawings	140,000/-

Determine the profit or loss for the year.

[4 marks]

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