

FORM 4
565/2
Business Studies
PAPER 2
MARCH/APRIL 2013
TIME: 2½ HOURS

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BARINGO NORTH TRIAL EXAMINATIONS - 2013

Kenya Certificate of Secondary Education (KCSE)

Form Four
Business Studies
Paper 2

Instructions to Candidates

1. *This paper comprises of 6 (Six) Questions*
- C? *Each question carries 20 marks*
- D? *Answer any five (5) Questions only*
- D? *All answers must be written in the answer foolscaps provided.*

*This paper consist of 2 printed pages.
Candidates should check the question paper to ascertain that
all the pages are printed as indicated and that no question is missing.*

1. a) Explain **five** factors that make a health business environment (10 marks)
 b) Give **five** differences between a single unit and a tied shop (10 marks)
2. a) M-pesa is a current means of payment and money transfer. Explain five benefits of M-pesa in remitting money. (10 marks)
 b) Discuss **five** circumstances under which monopoly is created. (10 marks)
3. a) Highlight **five** benefits enjoyed by consumers as a result of increased competitive advertisement. (10 marks)
 b) Explain **five** roles played by the Nairobi stock exchange (NSE) market in Kenya. (10 marks)
4. a) Highlight **five** measures that a government may take to encourage establishment of industries in rural areas (10 marks)
 b) Outline **five** benefits that will accrue to Kenya with the opening of the new Lamu port. (10 marks)
5. a) Highlight **five** short comings encountered in measuring National income in Kenya (10 marks)
 b) Explain **five** benefits of “pooling of risks” by an insurance industry. (10 marks)
6. a) Explain **three** factors that may lead to a firm requiring a larger office space. (6 marks)
 b) The following Trial balance was extracted from the books of Mwaita Traders as at 31st Dec. 2011

	Dr	Cr
Purchases	700,000	
Stock 1/1/09	172,000	
Sales		1,300,000
Capital		240,000
Bank overdraft		135,000
Cash	6,000	
Discount	48,000	30,000
Returns	20,000	19,000
Carriage-out	50,000	
Rent	58,000	
Commission		20,000
Machinery	220,000	
Debtors	90,000	
Drawings	50,000	
Wages and salaries	290,000	
General expenses	40,000	
	<u>1,744,000</u>	<u>1,744,000</u>

Additional information

- i) Stock on 31/12/2011 was shs. 140,000

Required

- i) Trading profit and Loss account for the period ended 31/12/2011 (9 marks)
 ii) Balance sheet as at 31/12/2011 (5 marks)