

BUSINESS STUDIES  
PAPER 2  
565/2  
TIME: 2 HOURS 30 MINS

**NAKURU DISTRICT SEC. SCHOOLS TRIAL EXAMINATIONS  
2013**

Kenya Certificate of Secondary Education

**Instructions**

The paper consists of six questions

Answer any **five** questions in the booklet provided

All questions carry equal marks

1. a) Explain **five** causes of business amalgamation. (10 marks)
- b) Outline **five** features of a market. (10 marks)
2. a) Outline **five** roles of warehouses in the production process. (10 marks)
- b) Explain **five** ways through which the national income statistics can be used in a country. (10 marks)
3. a) Discuss **five** reasons that lead to delegation in an organization. (10 marks)
- b) Discuss **five** ways through which the central bank regulates economic activities in the country. (10 marks)
4. a) Explain **five** difficulties that a business that uses salesmen to promote their products are likely to encounter. (10 marks)
- b) Discuss **five** reasons for regional development disparities in Kenya. (10 marks)
5. a) Discuss **five** internal factors that may make a firm to enlarge her production capacity. (10 marks)
- b) Highlight **five** ways the government creates an enabling environment for business activities in our country. (10 marks)
- 6 a) Explain **five** problems experienced from liberalization by developing countries. (10 marks)

b) The following trial balance was extracted from the books of Jamii Tamu enterprises as at 31.12.2009

	Dr.	Cr.
Cash	30,000	
Bank	230,000	
Capital		890,000
Salaries	40,500	
Commission	32,500	
Premises	407,600	
Discount	34,600	28,900
Returns	25,800	17,300
Rates	28,000	
Sales	1,245,000	
Purchases	838,600	
Advertising	33,000	
Consultancy fee	24,600	
Catering revenue		47,800
Debtors	98,800	
Creditors		67,500
Maintenance expenses	20,500	
Motor vehicle	480,000	
	2,296,500	2,296,500

Additional information:

-the closing stock amounted to shs. 56,000

-Consultancy fee shs. 3,400 are prepaid

**Required**

Extract i) Trading profit and loss a/c (7 marks)

ii) Balance sheet (3 marks)