

**SUPA JET (JOINT EVALUATION TEST)
BUSINESS STUDIES
MOCK - 2013
PAPER 2
562/2**

TIME: 2½ HOURS

NAME **CLASS**.....

INDEX NO.....

Instructions to candidates.

- a) This paper consists of six questions.
- b) Answer any five questions.
- c) Write your answers in the foolscaps provided.
- d) All questions carry equal marks.

For Examiners use only.

Questions	1	2	3	4	5	6
Marks						

Total Marks

1 a) Containerisation is one of the current trends in transport. Explain five advantages of containerisation as a mode of transport. (10mks)

b) Discuss five possible effects of inflation in an economy. (10mks)

2 a) Explain five services that the Central Bank of Kenya offers to commercial banks.

b) On November 2009, Ngatho Traders had cash in hand Shs.87, 000 and cash at bank Shs.250, 000. During the month, the following transactions took place:

2009

Nov. 2: Cash sales Sh.50, 000.

3: Paid salaries and wages Shs.101, 500 by cheque

6: Received a cheque for Shs.76, 800 from Wambua after allowing him a cash discount of 4%.

12: Bought office furniture by cheque Shs.85,000.

16: Settled Kabugo's account of Shs.40, 000 in each having deducted Shs.800 cash discount.

18: Received a cheque for Shs.150,000 in respect of cash sales.

21: Paid wages Shs.24, 000 in cash.

22: Withdrew Shs.5,000 cash for private use.

28: Received Shs.16,500 cash from Mochere in settlement of his account less Shs.660 cash discount.

30: Deposited all the money into bank except Shs.25,000.00.

Prepare a 3 column cash book duly balanced. (10mks)

3. a) Discuss five main causes of unemployment in Kenya. (10mks)

b) Explain five benefits that may accrue to a community that is involved in trading activities. (10mks)

4 a) Explain five circumstances that may lead to the dissolution of a partnership form of business. (10mks)

b) Discuss five uses of national income statistics to a country. (10mks)

- 5 a) Office equipment includes all the necessary office machines and furniture. Explain five roles played by equipment in an office. (10mks)
- b) The following balances were extracted from the books of Wambua Traders on 30th April 2008.

	Kshs.
Sales	180,000
Cost of goods sold	100,000
Salaries	7,000
General expenses	19,000
Carriage outwards	5,000
Discount allowed	8,000
Discount received	6,000

- i) Prepare the trading, profit and loss account for Wambua Traders.
- ii) Calculate the :Profit margin
:Profit mark-up. (10mks)

- 6a) Explain five uses of a business plan to an entrepreneur. (10mks)
- b) Discuss five ways that the government can use to promote local trade.