

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

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WESTERN ZONE JOINT EXAMINATIONS - 2013
(WEZOJE)
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) Discuss **five** ways of improving the efficiency of a warehouse. (10 marks)
- b) Distinguish between a **public corporation** and a **co-operative**. (10 marks)
- 2 a) Explain **five** benefits that could accrue to a customer who buys goods from a departmental store. (10 marks)
- b) Explain **five** advantages of advertising to a producer. (10 marks)
- 3 a) Under what circumstances will an exporter prefer air transport to water transport. (10 marks)
- b) Prepare a duly balanced three column cash book from the following information extracted from the books Trachea Traders.
- Jan 1st: Balance b/d cash shs. 4,000, bank 27,000.
- Jan 4th: Settled Olweny creditors account of shs 8000 by cheque having deducted 6% cash discount.
- Jan 8th: Received shs 6000 cash from Mutoma Traders.
- Jan 16th: Deposited shs 4,500 to the bank account.
- Jan 24th: Withdrew shs. 9,200 from the bank for private use.
- Jan 29th: Received shs. 19,950 from Kahawa by cheque after allowing 5% discount.
- Jan 31st: Banked all the cash leaving shs 1,500 in the office. (10 marks)
- 4 a) Describe **five** features of human wants (10 marks)
- b) Explain **five** measures that can be taken by the central bank to reduce money supply in an economy. (10marks)

- 5 a) The following trials balance was extracted from the books of Kimani Traders as at 30th June 2010

Kimani Traders
Trial Balance
As at 30th June 2010

	Dr	Cr
Premises	1,500,000	
Debtors and creditors	20,000	30,000
Cash at Bank	90,000	
Cash at hand	10,000	
Purchases and sales	1,140,000	320,000
Stock of goods on 1 st July 2009.	45,000	
Discounts	6,000	2000
Salaries and wages	50,000	
Commissions		8,000
Power and lighting	12,000	
Returns	15,000	
Carriage inwards	5,400	
Carriage outwards	2,300	
Capital		1,5343,700
Furniture	27,000	
	<u><u>1,922,700</u></u>	<u><u>1,922,700</u></u>

Additional information

- i) Stock of goods on 30th June 2010 was worth shs. 22,000
Required : Prepare the trading profit and loss account for the year ending 30th June 2010 (10 marks)
- b) Explain **five** limitations of adopting new technology by a business. (10 marks)
- 6 a) Explain **five** assumptions of monopolistic market structure. (10 marks)
- b) Discuss **five** methods of solving unemployment problem in Kenya. (10 marks)