

K.C.S.E 2012 QUESTIONS

BUSINESS STUDIES PAPER 2

1. a) Explain **five** benefits of division of labour to an organization. (10 marks)

b) Explain **five** ways in which a computer may be used in an office. (10 marks)

2 a) The table below shows the demand and supply schedules for product A in a week.

| Price (sh) | Quantity demanded | Quantity supplied ('000' tones) | Quantity supplied ('000' tones) |
|-------------------|--------------------------|--|--|
| 35 | 5 | 80 | |
| 30 | 10 | 65 | |
| 25 | 20 | 55 | |
| 20 | 25 | 40 | |
| 15 | 30 | 35 | |
| 10 | 40 | 20 | |
| 5 | 55 | 5 | |

Using the information given in the table above, draw the demand and supply curves showing the market equilibrium for the product. (10 marks)

b) Explain **five** merits of direct taxes to the government. (10 marks)

3. a) Explain **five** disadvantages that a country would suffer if she restricted trade with other countries. (10 marks)

b) Discuss **five** factors that may promote entrepreneurship in Kenya. (10 marks)

4. a) Explain **five** characteristics of property insurance. (10 marks)

b) Explain five elements of effective communication. (10 marks)

5. a) The following Trial Balance was prepared by Laketi Traders on 31st December, 2009.

| Particulars | Dr (shs) | Cr(shs) |
|--------------------|-------------------------|-------------------------|
| Premises | 850,000 | |
| Debtors | 650,500 | |
| Creditors | | 820,000 |
| Motor vehicle | 800,000 | |
| Equipment | 550,500 | |
| Gross profit | | 1,960,200 |
| Furniture | 350,000 | |
| Stock | 75,000 | |
| Bank | 200,000 | |
| Cash in hand | 150,000 | |
| General expenses | 117,800 | |
| Discount received | | 66,100 |
| Commission allowed | 12,400 | |
| Insurance | 7,500 | |
| Lighting | 4,600 | |
| Salaries | 78,000 | |
| Capital | | 1,000,000 |
| | <u>3.846,300</u> | <u>3.846.300</u> |

Using the information given above, prepare:

(i) A profit and loss account; (5 marks)

(ii) A balance sheet. (7 marks)

b) Describe **four** characteristics of services. (8 marks)

6. a) A school leaver plans to start a retail business. Explain **five** types of small scale retail shops the person may start. (10 marks)

b) Explain **five** circumstances in which a firm may acquire monopoly power. (10 marks)

For More Free KCSE past papers visit www.freekcsepastpapers.com

