

Name..... Index Number.....

565/2

BUSINESS STUDIES

March/April, 2013

Time: 2½ hours

Candidate's Signature.....

Date.....

**KENYA CERTIFICATE OF SECONDARY EXAMINATION
MOKASA JOINT EXAMINATION
BUSINESS STUDIES**

Paper 2

Time: 2½ hours

Instructions to candidates

- This paper consists of **SIX** questions.
- Answer any **FIVE** questions.
- Write your answers in the answer booklet provided.
- All questions carry equal marks.
- This paper consists of 3 printed pages.
- Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

For Examiner's Use Only

Question	1	2	3	4	5	6	Total
Marks							

1. a). Identify **five** circumstances under which communication may be ineffective. (10 marks)
- b). One of the main objectives of vision 2030 is to drastically reduce the rate of unemployment in the economy. Explain **five** ways through which the government may achieve this. (10 marks)
2. a). Explain **five** benefits of using cheques as a means of payment. (10 marks)
- b). As a County Governor, explain **five** ways in which the National Income statistics will be of benefit to you. (10 marks)
3. a). Apart from taxation, explain **five** other ways the Government raises its finances. (10 marks)
- b). Describe **five** steps taken in personal selling (10 marks)
4. a). Distinguish between a bonded warehouse and a free warehouse. (10 marks)
- b). Record the following transactions relating to Kibaki stores in the General Journal. (10 marks)

2011:

Oct 2: A photocopier worth shs. 93,000 were purchased on credit from Lisa paper works.

Oct 3: Office furniture worth shs 70,000 was sold on credit to Poa place for Shs. 80,000

Oct 8: A machine whose book value was shs 120,000 was sold to Tetu traders for Shs. 95,000 on credit

Oct 10: An old motor vehicle worth sh. 270,000 was sold to Iten traders on credit.

5. a). Explain **five** characteristics of Life Assurance. (10 marks)
- b). Explain **five** ways in which the Government may increase the amount of money in circulation in an economy. (10 marks)

- 6 a). Explain **four** benefits a general line textile manufacturer may enjoy by specializing in the production of a single product. (8 marks)
- b). Record the following transactions in a three column cashbook and balance it off as at 30th June 2012. (12 marks)

2012

June 2. KCB loan received by cheque Sh. 250,000

June 4. Cash sales amounting to Sh. 30,000.

June 6. Bought stock worth Sh. 70,000 and paid by cheque less 8% discount.

June 9. Received sh. 25,000 from Mr. Lonyangapuo a debtor by cheque after allowing 2% cash discount.

June 10. The proprietor took Sh.10,000 cash for his son's birthday party.

June 12. Withdrew Sh.48,000 from the bank for office use.

June 15. Murgor settled his account of shs. 45,000 by cheque

June 18. Paid wages Sh.10,000 Cash.

June 20. Murgor's cheque was dishonoured.

June 27. Sold goods worth Sh. 68,000 receiving Sh.28,000 cash and the rest by cheque.

June 30. Transferred all cash to the bank Except Sh.8,000.

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