

Name.....
School.....
Candidate's Signature.....

Index No...../
Date

565/2
BUSINESS STUDIES
Paper 2
JULY / AUGUST 2012
Time: 2 Hours

BUTERE DISTRICT JOINT EVALUATION TEST - 2012
Kenya Certificate of Secondary Education (K.C.S.E)

565/2
BUSINESS STUDIES
Paper 2
JULY / AUGUST 2012
Time: 2 Hours

INSTRUCTIONS TO CANDIDATES

- This paper consists of **six** questions
- Answer any **five** questions in the answer booklet
- All questions carry equal marks.

*This paper consists of 12 printed pages.
Candidates should check the question paper to ensure that all pages are printed as indicated
and no questions are missing*

1. a) Discuss **five** factors determine the level of National income. (10mks)
 b) Highlight **five** circumstances that will lead to the dissolution of a public limited company. (10mks)
2. a) Explain **five** methods of determining prices of goods and services in an economy
 b) Outline **five** circumstances under which a producer will carry out market research.(10mks)
3. a) Outline **five** monetary policies that the government may put in place to control inflation.
 b) Describe **five** barriers to effective communication. (10mks)
4. a) Explain **five** measures that can be adopted to correct unfavourable balance of payment in a country. (10mks)
 b) Highlight **five** roles of transport in Kenyan economy. (10mks)
5. a) Describe **five** benefits of using M- banking services in the banking industry. (10mks)
 b) Outline **five** characteristics of a good development plan in a country. (10mks)
6. a) Explain **five** characteristics of human wants. (8mks)
 b) Explo Traders owns a metal fabrication business. The following balances were extracted from the ledgers of the business top the year ended 30th September 2011.

Carriage inwards	27900
Carriage outwards	29400
Purchases	60000
Sales	120,000
Stock (30 th sept.2011)	26500
Sales Returns	18500
Stock (October 2010)	35600
Purchases Returns	4500
Rent	10600
Discount Received	6800
Salaries	14400
Rates	15400
Discount allowed	36900
Telephone	6950
Electricity	25450

Required:

Prepare trading, profit and loss A/C for the year ended 30th September 2011.

(12 mks)

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