

Name..... Index No.....
School..... Sign.....
Date.....

565/2
BUSINESS
PAPER 2
JULY / AUGUST – 2012
TIME: 2½ HOURS

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

565/2
BUSINESS
PAPER 2
JULY / AUGUST – 2012
TIME: 2½ HOURS

INSTRUCTIONS TO CANDIDATES

- Write your name and index number in the provided above
- This paper consists of three sections A, B and C.
- Answers should be written in the spaces provided.

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

1. (a) Explain **five** differences between a chain store and a departmental store. (10 mks)
(b) Outline the procedure to be followed by a salesperson in the process of personal selling. (10 mks)
2. (a) Masanga wanted to open an account with a commercial bank. Give five reasons why you should advise him to open a current account.. (10 mks)
(b) The use of motor cycles transport is becoming very popular in both rural and urban areas of Kenya. Explain the limitation a business that relies on its use is likely to encounter. (10 mks)
3. (a) Discuss **five** factors that influence the levels of National Income in a country. (10 mks)

(b) The following transactions took place during the month of June 2010 in Mali traders.

June

1st: Started business worth shs 140,000 deposited into the bank accounts

2nd : Bought equipments worth shs 9,000 and paid by cheque.

8th : Received shs 6500 cash from Kariuki who owed shs 7000 in full settlement of The account.

14th : Withdrew shs. 10,000 of which shs 6000 was for office use and the rest was to pay for his daughter's medical bill.

15th Settled Goma supplies account in cash of kshs.10,000 at a 10 % cash discount.

24th :Purchased stationery for shs 20,000 paid by cheque.

26th :Cash sales paid directly to the bank account shs. 12,000

27th :Paid Mwangi a creditor in cash sh.4200 in full settlement his account of shs 4,500

30th :Cash taking for the day shs. 3,800

Enter the above transactions in relevant cash book as at 30th June 2010 and balance it off.

(10 mks)

4. (a) Explain **five** reasons why savings and credit co-operative societies are becoming popular among Kenyan employees. (10 mks)
(b) Bitare S.D.A is a new Secondary School. The Principal wishes to introduce filing of documents in the school. Explain five factors that she will consider before choosing a filing system. (10 mks)
5. (a) With the aid of a diagram, explain the effects of an increase in supply to equilibrium price and quantity of commodity. (10 mks)
(b) Describe **five** factors of a less developed country. (10 mks)

6. (a) Explain **five** factors that may lead to unfavorable terms of trade in a country. (10 mks)
- (b) Ekerubo shop sells all its goods at a margin of 20 % for the year ended 30th April 2006, the trading activities were as follows;

Purchases	Shs. 800,000
Sales	Shs 950,000
Net profit	5 % of sales
Closing stock	Shs 200,000

Calculate:

(10 mks)

- (i) The gross profit
- (ii) The opening stock
- (iii) The mark-up percentage
- (iv) The net profit.