

Name..... Index No:.....

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2014
TIME: 2 ½ HOURS

Candidate's Signature
Date:

MIGORI SUB-COUNTY JOINT EVALUATION EXAM

Kenya Certificate of Secondary Education (K.C.S.E.)

565/2
Business Studies
Paper 2
2 ½ Hours

INSTRUCTIONS TO CANDIDATES

- Write your **name** and **indexnumber** on the answer booklet provided.
- This paper consists of **six** questions.
- Answer **any five questions**.
- All questions carry equal marks.

For Examiners Use Only

Question	1	2	3	4	5	6	TOTAL
Marks							

This paper consists of 2 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.

Answer any five questions.

1. (a) Explain **five** ways in which the government may regulate business activities (10mks)
(b) Explain **five** factors that affects birth rate in Kenya (10mks)
2. (a) Outline **five** differences between public and private warehouses. (10mks)
(b) Explain **five** ways used to control demand – pull inflation (10mks)
3. (a) Mr. Onyango a producer has decided to distribute his goods strongly retailers, explain five benefits of such a move. (10mks)
(b) The following information relates to Kipture traders for the year ending 2013
Turnover 270,000
Margin 40%
Rate of turn over 6 times
Expenses 40,000
From the above information, calculate
(i) Gross profit
(ii) Cost of goods sold
(iii) Net profit
(iv) Average stock
4. (a) High light **five** reasons why an individual may hold money for unforeseen circumstances. (10mks)
(b) Explain **five** contribution of entrepreneurs in the production of goods and services. (10mks)
- 5 (a) Explain the following current trends as use din business units
(a) Franchising (2mks)
(b) Globalization (2mks)
(c) Privatization (2mks)
(d) Holding companies
(e) Cartels (2mks)
- (b) The following information relates to MajiMzuri business for the month of February 2012
Feb 2nd Bought goods on credit from Jim traers Kshs. 340,000 (invoice No 24)
3rd Sold goods on credit to Maina Traders Kshs. 800,000 (invoice No 28)
4th Retained goods to Jim traders Kshs. 300,000 (credit Note No 50)
10th Sold goods on credit to Solah wholesalers kshs620,000 invoice no 29)
13th Purchased a motovehicle on credit from CMC motors kshs.. 1000,000
15th Salah wholesalers returned stock worth sh 19000 (credit note no.10)
18th Bought stock on credit from Awendo traders kshs 120,000 (invoice no 35)
20th Maua returned stock valued kshs 5000 (credit note no 11)
25th Returned stock to Awendo traders kshs 8000 (credit note no 306)

Required : post the above information in the relevant journals.

6. (a) Explain **five** uses of national income statistics. (10mks)
(b) Highlight **five** roles played by the world bank in assisting developing countries to improve their economies. (10mks)