

CENTRAL KENYA NATIONAL SCHOOLS JOINT MOCK - 2016**BUSINESS STUDIES****565/2****PAPER 2**

1. (a) The following transactions took place in the business of Darasile Traders in Kisumu year 2013.
- July 1st: Started business with capital in cash Kshs.150,000.
 July 2nd: Opening a bank account and deposited Kshs.30,000.
 July 3rd: Bought buildings in cash Kshs.60,000.
 July 4th: Borrowed a loan in cash Kshs.20,000.
 July 5th: Bought stationery by cheque worth Kshs.6,000.
 July 6th: Repaid part of the loan by cheque Kshs.10,000.
- Required:*
- (i) Record the above transactions in their various ledger accounts. (6mks)
 (ii) Prepare a trial balance. (4mks)
- (b) Explain **five** features of a good filling system. (10mks)
2. (a) Describe **five** ways in which non-banking financial institutions differ from the commercial banks. (10mks)
 (b) Explain **five** importance of a business plan to an upcoming entrepreneur. (10mks)
3. (a) Outline the factors that the government should consider when deciding on a good tax system. (10mks)
 (b) Outline **five** differences between private limited companies and public corporation. (10mks)
4. (a) Outline **five** benefits that Kenya will reap after the completion of the Lamu Port and Lamu South Sudan-Ethiopia corridor (Lapset) project whose construction is underway. (10mks)
 (b) Other than monetary policy, outline other **five** measures that can be used to control inflation. (10mks)
5. (a) Explain **five** causes of unemployment in Kenya today. (10mks)
 (b) Explain **five** insurance policies that the owner of a private school may find useful for his or her school. (10mks)
6. (a) Highlight **five** differences between a tied shop and a single shop. (10mks)
- (b) On 1st November 2012, Sigora Co. Ltd had a balance of Sh.12,000 at the bank and Sh.2500 in hand. During the month the following transactions took place.
- Nov 1st: Cash sales Sh.2500, cash purchase Sh.1750.
 3rd: Paid the following accounts by cheque.
 Kiproop Sh.1500 less 5% cash discount.
 Sigei Sh.2000 less 5% cash discount.
 Nasiku Sh.2100 less 3% cash discount.
 5th: Received the following amounts from debtors
 Ondiek Sh.1200 in cash.
 Jane Sh.3850 in cash and Mueni by cheque Sh.2050 after allowing her Sh.300 cash discount.
 14th: Paid office cash to the bank Sh.2000.
 17th: Cash sales Sh.8500.
 8th: Bought goods worth Sh.300 0 on credit from Mwau enterprises.
 22nd: Mueni paid her account of Sh.5000 by cheque less 10% cash discount.
 28th: Withdrew all the money from the bank for office use except Sh.1000.
 29th: Paid salary cash Sh.8000.
 30th: A cheque received from Mueni on Nov 5th was dishonoured.

Required:

Prepare Sigora Co. Ltd three column cash book.

(10mks)