**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**JUNE/JULY 2022**

**TIME: 2 ½ HOURS**

**NAME \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ADM \_\_\_\_\_\_\_\_\_ CLASS \_\_\_\_\_\_\_\_\_\_**

**INSTRUCTIONS TO THE CANDIDATES**

* **Answer *any five* questions.**
* **Write your answer in the answer booklet provided.**
* **All questions carry equal marks.**

**For Examiner’s Use only:-**

|  |  |
| --- | --- |
| **Question** | **Marks** |
| **1** |  |
| **2** |  |
| **3** |  |
| **4** |  |
| **5** |  |
| **6** |  |
| **TOTAL MARKS** |  |

1(a) Explain any five factors promoting entrepreneurship in Kenya (10 mks)

(b) Explain five advantages of using office machine. (10mks)

2(a) Give five difference between Public Company and public corporation public company (10 mks)

(b) The following trial balance has extracted from the books of Bishar Retailers on 30th

April, 2006.

|  |  |  |
| --- | --- | --- |
|  | Dr  shs | Cr  shs |
| Sales |  | 186,000 |
| Purchases | 115,560 |  |
| Stock 1.5.2005 | 37,760 |  |
| Carriage outwards | 3,260 |  |
| Carriage inwards | 2,340 |  |
| Returns | 4,400 | 3,550 |
|  |  |  |
| Motor expenses | 6,640 |  |
| Rent | 4,560 |  |
| Salaries and wages | 24,490 |  |
| General expenses | 12,000 |  |
| Rates | 1,200 |  |
| Equipment | 60,000 |  |
| Machinery | 31,960 |  |
| Trade debtors | 45,770 |  |
| Trade creditors |  | 30,450 |
| Bank | 38,760 |  |
| Cash | 12,000 |  |
| Drawings | 20,500 |  |
| Capital | \_\_\_\_\_\_\_ | 128,440 |
|  | 348,440 | 348,440 |

Stock at 30th April, 2006 was shs 49,980.

Required; i) Prepare Trading, profit and loss Account for the year ended 30th April 2006. (6marks)

**ii) Balance as at 30th April 2006. (4mks)**

3 (a).Discuss five reasons why a manufacturer may sell directly to consumers (10mks)

(b) Explain five advantages of using office machine. (10mks)

4 (a) Explain five factors which may influence choice of a distribution channel. (10 marks)

b) State and explain five macro environments and the positive effect of each on the performance of a business (10 marks)

5a) Describe five features of good money. (10 marks)

b) On 1st June 2009, MULI ENTERPRISES had cash in hand sh. 87,000 and cash at bank sh. 250,000.During the month, the following transactions took place.

June 2, Sales (cash) sh. 50,000

3, Paid salaries sh.101, 500 by cheque.

6, Received a cheque for sh. 76,800 from Mwelu after allowing her a cash discount of 4%.

12, Bought office furniture by cheque sh. 85,000

16, Settled Musau’s account of sh. 40,000 in cash, having deducted shs 800 cash discount.

18, Received a cheque for shs 150,000 in respect of cash sales.

21, Paid wages shs 24,000 in cash.

22, Withdrew shs 30,000 from bank for office use.

25, Withdrew shs 5000 cash for private use.

28, Received shs 16500 cash from Kasiva in settlement of her account less shs 660 cash discount.

June 30, Deposited all the money into bank except shs 25,000

Prepare a three column cash book and balance it off. (10marks)

6a) Explain five uses of national income statistics to an economy. (10mks)

b) With the aid of an appropriate labelled diagram, explain four circumstances under which supply curve may shift to the right hand side. (10 marks)