

NAME: _____

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565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2013
2½ HOURS

KIKUYU DISTRICT INTERSCHOOLS EVALUATION
KENYA CERTIFICATE OF SECONDARY EDUCATION

BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2013
2½ HOUR

Instructions

- Answer any **FIVE** questions, in the spaces provided
- This paper consists a total of six questions.

Question	1	2	3	4	5	6
	For Examiners use only					
Marks						

**Grand
Total**

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1. (a) State **six** differences between a co-operative society and a public limited company. (12 marks)
- (b) Many countries suffer from the spectre of a small size of the market and trade barriers which retards growth and development. One of the solutions to this problem is for a number of countries to come into some of economic cooperation. Describe **five** forms of economic cooperation. (8 marks)
2. (a) Motorcycles are gaining popularity as a means of transport in Kenya. Explain **five** reasons for this trend. (10 marks)
- (b) The central bank is a bank to the government. Outline **five** banking services that it provides to the government. (10 marks)

3. (a) The following balances were extracted from the books of Wema company limited as at 31st December 2012.

	Sh.
Cash at hand	1, 200
Cash at bank	11, 000
Stock 1.1.2012	21, 000
Office rent	1, 700
Rent received	1, 200
Debtor	8, 000
Bank loan	30, 000
Creditors	10, 000
Furnitures and fittings	7, 500
Returns inwards	500
Stock 31.12.12	13, 500
Sales	4, 000
Purchases	20, 500
Drawings	900
Capital	14, 900
Salaries	4, 000
Water and lighting	600
Postage	200
Motor van	35, 000

Prepare Wema Ltd. Trading, profit and loss A/C for the year ended 31st Dec. 2012. (10 marks)

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- (b) Explain **five** uses of National Income statistics to an economy. (10 marks)
4. (a) Discuss **five** trends in office management. (10 marks)
- (b) Safaricom company has a prize winning competition called “Tetemesha”. Prizes can only be won through buying the products (air time). Explain **five** benefits that a company gets from such a scheme. (10 marks)
5. (a) Explain **five** factors influencing the choice of a distribution channel. (10 marks)
- (b) Discuss **five** characteristics of an entrepreneur. (10 marks)
6. (a) Discuss any **five** features of a perfect competition market structure. (10 marks)
- (b) Explain **five** errors that do not affect the balancing of the trial balance. (10 marks)