NAME: _____   INDEX/ADM NO. _____

CANDIDATE SIGNATURE: _____

DATE:_____

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2013
2 ½ HOURS

LARI DISTRICT JOINT MOCK EXAMINATION
KENYA CERTIFICATE OF SECONDARY EDUCATION
BUSINESS STUDIES
PAPER 2
2 ½ HOURS.

INSTRUCTIONS TO CANDIDATES

(a)   This paper consists of six questions
(b)   Answer any FIVE QUESTIONS
(c)   All questions carry equal Marks
(d)   Candidate should check the questions paper to ascertain that the pages are printed as indicated and that no questions are missing.

FOR EXAMINER'S USE ONLY

QUESTIONS	1	2	3	4	5	6	TOTAL
MARKS							

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KENYA CERTIFICATE OF SECONDARY EXAMINATION, 2013.

BUSINESS STUDIES

PAPER 2

1. (a) Explain five channels that may be used to distribute maize in Kenya. (10marks)

    (b) Explain five ways in which goods are prepared for sale in a warehouse. (10marks)

2. (a) Explain five measures that a government may take to correct an adverse balance of payment. (10marks)

    (b) Explain five emerging issues and trends in office management in Kenya today. (10 marks)

3. (a) Explain five benefits that accrue to a customer who buy goods in a supermarket. (10 marks)

    (b) On July 2012, Ufanisi Traders had cash in hand sh 3,500 and cash at bank shs. 140,000. The following transactions took place during the month

    July 2:   Cash sales sh 42, 000 was paid direct into the bank.

    July 3;   Received a cheque of sh 15000 from Kariuki in full settlement of his debt.

    July 8:   Bought goods by cheque sh 26000.

    July 13;   Paid Wanjiku by cheque sh 24000 after deducting 5% cash discount.

    July 17;   Withdrew sh. 40,000 from bank for office use.

    July 22;   Bought office furniture by cheque sh. 50,000

    July 27;   Received a cheque for sh 9000 from Waweru after deducting a 5% cash discount.

    July 30;   Banked all the money except sh. 7000

    Required: Prepare a Three-column cash book and balance it off. (10marks)

4. (a) Explain five factors that contribute to high birth rates in developing countries. (10marks)

    (b) Explain five money transfer facilities offered by commercial banks. (10marks)

5. (a) Explain five features of a monopolistic competition market structure. (10 marks)

    (b) Explain five advantages of operating a business as a sole proprietor. (10 marks)

6. (a) The following Trial balance was extracted from the books of Bura Traders on 31st December 2012.

PARTICULARS	DR(SH)	CR(SH)
Purchases	720,000	
Stock(1st January 2012)	120,000	
Carriage on sales	30,000	
Discount allowed	8,000	
Returns	100,000	15,000
Sales		1,300,000
Interest receivable		2,600
Bank overdraft		120,000
Rents and Rates	49,600	
Debtors	18,000	
Capitals		1,231,000
creditors		35,000
Cash in hand	30,000	
Salaries	156,000	
Land	130,000	
Furniture and Fittings	62,000	
Drawings	110,000	
Motor vans	1,170,000	
TOTALS	**2,703,000**	**2,703,000**

Stock on 31st December 2012 was sh.75,000.
From the above information;
Prepare; A trading, Profit and Loss Account. (10marks)

(b) Delocalization is the spreading out of industries to different geographical locations. Explain five measures that may be taken by the government to achieve this objective. (10marks)