

Name..... Index No...../.....
Candidate's Signature.....
Date.....

565/2
BUSINESS STUDIES
June 2014

KASSU JOINT EXAMINATION
Kenya Certificate of Secondary Education
BUSINESS STUDIES

Paper 2

2½ hours

Instructions to candidates

- This paper consists of six questions.
- Answer any five questions.
- All questions carry equal marks.
- This paper consists of 3 printed pages.
- Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- Candidates should answer the questions in English.

For Examiner's Use Only		
Question	Maximum score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total Score		

1. a). Explain **five** characteristics of a monopolistic market structure (10 marks)
- b). Advise Kimaiyo an investor in marine transport on **five** policies that he needs to take cover for his investments. (10marks)
2. a). Explain **five** means of payment used in home trade. (10marks)
- b). Discuss **five** benefits to the Kenyan economy as a member of East African Community. (10marks)
3. a). Outline **five** benefits to a nation that engages in indirect production. (10marks)
- b). Explain **five** measures that can be taken to curb the problem of unemployment in Kenya. (10marks)
4. a). Describe the procedure of recording business transactions in ledger accounts. (10marks)
- b). Explain **five** factors that may lead to demand pull inflation. (10marks)
5. a). Explain **five** reasons as to why state owned corporations are being converted into public limited companies. (10marks)
- b). The table below shows prices and quantity of commodity X supplied in a market for the 1st quarter of year 2013.

Month	Quantities Supplied	Price
January	20,000	100
February	30,000	100
March	35,000	100

Explain **five** factors that may have led to the change in the quantities supplied. (10marks)

6. a). Outline **four** elements of transport.

(8marks)

b). Record the following transactions of Mutei traders in the relevant books of original entry.

(12marks)

2014

Jan

1: Credit sales to: Kipchoge shs. 26,000, Hassan 20,000.

5: Credit purchases from: Ndegwa sh 12,000, Mudavadi sh 28,000, Kamau sh 40,000

7: Returned goods to suppliers: Mudavadi sh 4,000, Kamau sh 5,000

14: Credit sales: Waswa sh 9,000, Otieno sh 16,500, Kalya sh 34,000.

18: Goods returned by customers: Waswa sh 500, Otieno sh 2,500.

22: Credit purchases from: Kamau sh 24,000, Oleitipiti sh 32,000, Mulwa sh 14,000, Kimaru sh 17,000.

26: Goods returned by customers: Kalya sh 3,000.

28: Credit sales: Ed Musi sh 8,000, Abdi sh 43,000, Waswa sh 11,000.