

Name:.....

Set.....

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2 HOURS

MINI-MOCK EXAMINATION 2014

Instructions:

- Answer any five questions.
- Write your answers for each question on the separate sheets provided.
- All questions carry equal marks.

For official use only.

<u>Questions</u>	<u>Score</u>

NB: This paper consists of 2 printed pages.

Students should check the question paper to ensure that all pages are printed as indicated and that no questions are missing.

Turn over

1. a) Explain five benefits of division of labour to an organization (10 marks)

b) Explain five ways in which a computer may be used in an office (10marks)

2. a) Explain five tools of monetary policy that can be used by Central bank to increase the amount of money in-circulation . (10 marks)

Explain five merits of direct taxes to the government. (10marks)

3 a) with the aid of a diagram, explain the effect of an increase in the supply of a commodity while its demand remains constant. 10 marks)

b) Explain five factors that may promote entrepreneurship in Kenya 10 marks)

4a) Explain five characteristics of property insurance (10 marks)

b) Explain five elements of effective communication (10marks)

5a) The following Trial balance was prepared by Baridi Traders on 31st December. 2013.

Particulars	Dr (shs)	Cr (shs)
Premises	850,000	
Debtors	650,500	
Creditors		820,000
Motor Vehicle	800,000	
Equipment	550,500	
Gross profit		1,960,200
Furniture	350,000	
Stock	75,000	
Bank	200,000	
Cash in hand	150,000	
General expenses	117,800	
Discount received		66,100
Commission allowed	12,400	
Insurance	7,500	
Lighting	4,600	
Salaries	78,000	

Capital

1,000,000

3,846,300

3,846,300

Using the information given above, prepare;

(i) A profit and loss account;

(5marks)

(ii) A balance sheet.

(3marks)

(b) Describe four characteristics of services.
(8 marks)

6a) A school leaver plans to start a retail business. Explain **five** types of small scale retail shops the person may start.

b) Explain **five** circumstances in which a firm may acquire monopoly power
(10 marks)