NAME………………………………………………… INDEX NO…………………………….

SCHOOL……………………………………………… CANDIDATE’S SIGNATURE…………

DATE……………………………….

565 / 2

BUSINESS STUDIES

PAPER 2

MARCH / APRIL 2015

2 HOURS

**KABONDO DIVISION JOINT EVALUATION TEST**

*Kenya Certificate of Secondary Education*

**INTRODUCTION TO CANDIDATES**

1. Write your name and index no in the spaces provided
2. Answer all the questions
3. Write your answers in English

For examiner’s use only

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Question | 1 | 2 | 3 | 4 | 5 | 6 |
| Marks |  |  |  |  |  |  |

***This paper consists of 3 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing.***

1. a. Explain five reasons why you would advise your friend against starting a sole proprietorship form of business (10mks)

b .Explain five measures that can be taken to reduce unemployment in a country

(10mks)

1. a. Explain five advantages of non-verbal communication (10mks)

b. Explain five factors that have led to the survival of small scale retailers despite competitions from supermarkets (10mks)

1. a. Office equipments includes all the necessary office machines and office furniture .Explain five roles played by equipments in an office (10mks)

b. On November 2010,Sandra traders had cash in shs 87,000 and cash at bank 250,000.Durind the month,the following transaction took place

2010

Nov 2 :cash sale shs 50,000

Nov 3 : paid salaries shs 101,500 by cheque

Nov 6: Received a cheque of shs 76,800 from Wambua after allowing him a discount of 4 %

Nov 12 :bought office furniture by cheque shs 85,000

Nov 16:Settled katunge’s account of shs 40,000 in cash having deducted shs 800 cash discount

Nov 18 :Received a cheque of shs 150,000 in respect of cash sales

Nov 21:Paid wages shs 24,000 in cash

Nov 22:Withdrew shs 5,000 csh for private use

Nov 28 :Received shs 16,500 cash from Mochere in settlement of his account less shs 660 cash discount

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

Prepaire a three colum cash book dul;y balance (10mks)

1. a. Explain five functions of commercial banks in Kenya (10mks)

b. Explain five reasons for the popularity of sea transport in Kenya’s export trade

(10mks)

1. a. Explain five uses of National income statistics (10mks)

b. Outline five factors that you woulkd consire when establishing a warehouse for imported goods (10mks)

1. a. Explain four criteria for determining the size of a firm (8,ks)

b. The following trial balance was extracted from the books of Bush traders on the 31st Dec 2012

Bush Traders

Trial Balance

|  |  |  |
| --- | --- | --- |
|  | Dr | Cr |
| Sales |  | 720,000 |
| Purchases | 340,000 |  |
| Returns | 20,000 | 18,000 |
| Rent | 16,000 |  |
| Advertising | 24,000 |  |
| Commision |  | 9000 |
| Deptors | 54,000 |  |
| Creditors |  | 64,000 |
| Stock(1/1/2012 | 60,000 |  |
| Insuarance | 30,000 |  |
| Drawings | 40,000 |  |
| Furnitures /fittings | 100,000 |  |
| Cash in hand | 15,000 |  |
| Premises | 400,000 |  |
| Capital |  | 288,000 |
|  |  |  |
|  | 1,099,000 | 1,099,000 |

Additional information

i)Stcok as at 31st Dec 2012 ,shs 52 000

Required

* 1. prepaire trading profit a gross account for the year ended 31st Dec 2012
  2. calculate
     1. Gross profit margin
     2. The rate of stock turn over (12mks)