

NAME: INDEX NO:

SCHOOL: CANDIDATES SIGNATURE:

DATE

565/2
BUSINESS STUDIES
PAPER 2
July/August - 2015
TIME: 2 ½ Hours

NAROK SOUTH SECONDARY SCHOOLS JOINT EXAMINATION
Kenya Certificate of Secondary Education (K.C.S.E)
BUSINESS STUDIES
PAPER 2

INSTRUCTIONS TO CANDIDATES:

- This paper consists of six questions.
- Answer **ANY five** questions
- Write your answers in the provided answer booklet
- All questions carry equal marks

FOR EXAMINER'S USE

Question No.	1	2	3	4	5	6
SCORE						

This paper consists of 2 printed Pages

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

1. a) Explain any five contributions of trade in the growth and sustenance of a country's economy. (10 marks)
- b) Maendeleo Enterprises is a group of firms operating in a certain region. Explain formal procedures taken by the firm to obtain a valid insurance policy for the business. (10 marks)
2. a) Explain five principles of an efficient tax system. (10 marks)
- b) Outline five circumstances that would make a producer to by pass wholesalers in distributing farm produce. (10 marks)
3. a) Explain five challenges faced by a country whose population is a large proportion of young people. (10 marks)
- b) Kenya's success on attainment of millennium development goals (MDG) depends on a well structured plan. Explain five benefits that a country would gain from preparing a development plan. (10 marks)
4. a) Explain any five ways in which efficiency in communication may be enhanced. (10 marks)
- b) Explain five factors that influence decisions on what goods and services to produce. (10 marks)
5. a) Explain five ways in which the central bank of Kenya regulates the operations of commercial banks in Kenya. (10 marks)
- b) An office plays an important role in creating efficiency the activities of organization. Explain five benefits of filing office documents. (10 marks)
6. a) Explain five reasons to justify the use of economic barriers to control free trade. (10 marks)
- b) The following receipts and payments relates to the affairs of lions rotary club for the month of November 20-4.

20 - 4

Nov 1 Received donation Sh. 10,000.
 Nov 1 Purchased games equipment Sh. 5,000.
 Nov 6 Paid Sh. 6,000 for travelling expenses.
 Nov 10 Received subscriptions Sh. 5,000 and Sh. 3000 Donations.
 Nov 15 Paid postage Sh. 70, travelling Sh. 500, and miscellaneous expenses Sh. 130.
 Nov 18 Purchased stationery Sh. 320.
 Nov 20 Received fees Sh. 5,000.
 Nov 24 Received subscriptions Sh. 250, paid salaries Sh. 880.
 Nov 26 Miscellaneous receipts Sh. 350.
 Nov 28 Received donations Sh. 4,000, received fees Sh. 2,300.
 Nov 30 Paid for rent and rates Sh. 700, postage Sh. 120.

Required: Record the above transactions in an analysis cash book. Use columns for assets, donations, fees, miscellaneous expenses, receipts, travelling, rent and rates subscriptions, salaries. (10 marks)