

NAME INDEX NUMBER

SIGNATURE

DATE

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2016
TIME: 2½ HRS

NYERI COUNTY FORM 4 JOINT ASSESSMENT
KENYA CERTIFICATE OF SECONDARY EDUCATION (K.C.S.E)

BUSINESS STUDIES

Paper 2

Time: 2½ hours

INSTRUCTIONS TO CANDIDATES

- * Write your name and index number in the spaces provided above.
- * Sign and write the date of examination in the space provided above.
- * This paper consists of six questions.
- * Answer any **FIVE** questions from this paper.
- * Write your answers in the answer sheets provided.
- * All questions carry equal marks.
- * This paper consists of 2 printed pages.
- * Candidates should check the question paper to ascertain that all pages are printed as indicated and that no question are missing.
- * Candidates should answer the questions in English.

FOR EXAMINER'S USE ONLY

Question	Maximum score	Candidate's score
	20	
	20	
	20	
	20	
	20	
Total score		

1. a) Explain five factors that should be considered when choosing a filing system. (10 marks)
 b) Explain five differences between perfect competition and monopoly market. (10 marks)
2. a) Explain five factors which have contributed to increased trading activities. (10 marks)
 b) Explain five factors that have led to increased use of containerization. (10 marks)
3. a) Outline four challenges facing Consumer Association in Kenya. (8 marks)
 b) Luanda Traders had the following balances at 1st Jan 2015
 Cash Sh. 180,000 (Dr.) Bank Sh. 67,000 (Cr.)
 During the month of Jan 2015, the following transaction took place
 Jan 2 cash sales Sh. 14,500
 Jan 6 Mwangi a debtor settled his account of Sh. 45,000 by cheque less 5% cash discount
 Jan 8 Sold goods on credit with Sh. 25,000
 Jan 14 Paid salaries in cash 50,000
 Jan 18 Settled Laboso's account of 60,000 by cheque less 3% cash discount.
 Jan 21 Received a cheque of 84,000 from Rotich after deducting 10% cash discount
 Jan 22 Cash purchases paid by cheque sh. 65,000
 Jan 24 Cash sales worth 340,000 directly banked Sh. 300,000 cash into the account
 Jan 28 Took cash 39,000 for children's school fees
 Jan 31 Banked all cash except Sh. 36,000
 Prepare a dully balanced three column cash book (12 Marks)
4. a) Explain five characteristics of general insurance (10 Marks)
 b) Outline five measures that can be used to curb the rapidly increasing population in Kenya. (10 Marks)
5. a) Explain four benefits of mobile phone money transfer services. (8 marks)
 b) The following trial balance was extracted from the books of J.B. Traders as at 31st Dec. 2014.

**J.B. TRADERS
 TRIAL BALANCE
 AS AT 31.12.2014**

Details	Dr.	Cr.
Purchases and Sales	140,000	190,000
Stock (1.1. 2014)	25,000	
Advertising	8,000	
Debtors and Creditors	21,000	22,200
Returns	3,000	4,800
Salaries	28,000	
Cash	5,000	
Bank Overdraft		20,200
Capital		177,600
Rent	20,800	
Land & Premises	164,000	
	414,800	414,800

Stock on 31/12/2014 was valued at sh. 13,000

Required: Prepare a Trading Profit and Loss account for the period ended 31/12/2014 and a balance sheet as at 31/12/2014 (12 Marks)

6. a) Explain five principles of public expenditure (10 Marks)
 b) Explain five benefits that may accrue to a business organization that expands its scale of operations. (10 Marks)