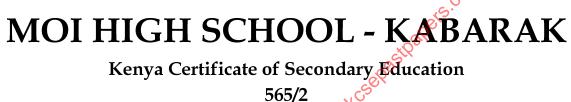
Name: \_\_\_\_\_

\_\_\_\_\_ Adm No.: \_\_\_\_\_

Candidate's Signature:

Date: \_\_\_\_\_

565/2 **BUSINESS STUDIES** Paper 2 MARCH/APRIL 2017 Time: 2<sup>1</sup>/<sub>2</sub> hours



4CS Paper 2 **BUSINESS STUDIES** 2<sup>1</sup>/<sub>2</sub>hours

Instructions

- Inore tree past papers • Answer any **FIVE** questions.
- Use the material provided.

1.	a)	Explain five advantages of division of labour.	(10 marks)		
	b)	Explain <b>five</b> problems in calculating national income using the o	utput approach. (10 marks)		
2.	a)	Describe five means of written communication	(10 marks)		
	b)	Outline <b>five</b> ways a country may control her imports so as to compayment disequilibrium.	rect her Balance of (10 marks)		
3.	a)	Explain <b>four</b> measures that can be taken to control demand pull i	inflation (8 marks)		
	b)	<ul> <li>Kivunja started business on 1<sup>st</sup> January 2017 with capital sh. 210,000 in cash. The following transactions took place during the first week of the month: 2017</li> <li>Jan 2: Opened a bank account and deposited cash. Sh. 90,000</li> <li>3: Bought stock of goods Sh. 40,000 on credit</li> <li>4: Cash sales paid direct into the bank Sh. 12,000</li> <li>5: Paid rent Sh. 2,000 in cash</li> <li>5: Sold goods Sh. 21,000 payment received by cheque.</li> <li>6: Bought office equipment for Sh. 150,000 by cheque</li> <li>7: Received a commission from Taptok traders Sh. 1,000 cash</li> </ul> Required:			
		balance as at that date.	(12 marks)		
4.	a)	Explain <b>five</b> insurance policies you would advise your principal t insures your school resources.	to take as he/she (10 marks)		
	b)	Using a diagram, explain the effect on the decrease in supply on quantity while demand is constant.	equilibrium price and (10 marks)		
5.	a)	Explain <b>five</b> problems associated with youthful population	(10 marks)		
	b)	Explain five roles of central bank in an economy	(10 marks)		
6.	a)	Explain <b>four</b> services that are offered by retailers to consumers	(8 marks)		
	b)	The following trial balance relates to Belion traders for the period December 2016:	d ended 31 <sup>st</sup>		
	Belion traders Trial Balance As at 31/12/16				
		Items Dr(Sh)	Cr(Sh)		
		Gross profit	800,000		
		Buildings 1,800,000			
		Debtors 400,000	275 000		
		Creditors	375,000		

Stock	650,000	
Bank	250,000	
Cash	80,000	
General expenses	240,000	
Discount allowed	21,000	
Discount received		30,000
Commission received		15,000
Furniture	480,000	
Capital		2,701,000
-	3,921,000	3,921,000

## **Additional information**

- Stock on 1st January 2016 was valued at Shs. 580,000 i)
- ii) Profit margin was 20%

## **Required:**

Required: Trading profit and loss account for the period ended 31st December 2016 and a balance sheet as at that date. (12 n (12 n (12 n (12 n (12 n) ( (12 marks)

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