

NAME INDEX NO.

SCHOOL SIGNATURE

DATE

565/2
BUSINESS STUDIES
PAPER 2
KCSE MOCKS 2017

TIME: 2½ HOURS

INSTRUCTIONS TO CANDIDATES

- Answer any **FIVE** questions
- ALL questions carry equal marks
- This paper consists of 2 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing

FOR EXAMINER'S USE ONLY

Question No	1	2	3	4	5	6	TOTAL
Marks							

1. a) Explain five characteristics of underdeveloped countries. (10marks)
b) Discuss five measures that can be used to reduce unemployment in Kenya (10marks)
2. a) Explain five ways in which the central bank regulates the operations of commercial banks in Kenya (10marks)
b) Explain five roles played by insurance industry in promoting the development of Kenyan economy. (10marks)
3. a) Highlight five roles of the Nairobi Stock exchange as a market for securities. (10marks)
b) During a trader's workshop, a speaker presented a speech on ethical issues in business. Highlight some ethical issues that he may have raised, affecting business. (10marks)
4. a) Discuss five benefits of filing office documents to an organisation. (10marks)
b) Explain five benefits that a country derives from transporting oil through pipeline. (10marks)
5. a) Savings and credit cooperatives have been registering an increasing number of members. Explain five reasons for such a development. (10marks)
b) The following Trial balance was extracted from NDOLO'S STORES on 31st Dec 2009.

	Dr.	Cr.
	Shs	Shs
Capital		250,000
Stock	25,000	
Machinery	250,000	
Motor vehicles	87,000	
Purchases	360,000	
Sales		600,000
Returns inwards	40,000	
Returns outwards		20,000
Discount received		5,000
Carriage inwards	2,000	
Carriage outwards	3,000	
Bad debts (written off)	80,000	
General expenses	88,000	
Debtors	18,000	
Creditors		49,000
Rent	1,000	
	<u>954,000</u>	<u>954,000</u>

Additional information:-

Closing stock was valued at sh. 22,000.

Prepare NDOLO'S STORES; Trading, profit and loss accounts for year ending 31/12/2009.

6. a) The income approach is one of the methods used to measure the national income of the country.
Explain four types of incomes included in this approach. (8marks)

- b) On 1st June 2009, MULI ENTERPRISES had cash in hand sh. 87,000 and cash at bank sh. 250,000. During the month, the following transactions took place.

June 2, Sales (cash) sh. 50,000
3, Paid salaries sh. 101,500 by cheque.
6, Received a cheque for sh. 76,800 from Mwelu after allowing her a cash discount of 4%.
12, Bought office furniture by cheque sh. 85,000
16, Settled Musau's account of sh. 40,000 in cash, having deducted shs 800 cash discount.
18, Received a cheque for shs 150,000 in respect of cash sales.
21, Paid wages shs 24,000 in cash.
22, Withdrew shs 30,000 from bank for office use.
25, Withdrew shs 5000 cash for private use.
28, Received shs 16500 cash from Kasiva in settlement of her account less shs 660 cash discount.
June 30, Deposited all the money into bank except shs 25,000.
Prepare a three column cash book and balance it off.

(12marks)

for free kcse past papers visit: www.freekcsepastpapers.com