**NAME:**…………………………………………………………………………..**INDEX** ……………..

**SCHOOL**:…………………………………………………..**SIGNATURE**………**DATE**…….…..…

ADM NO………………………

565/2

BUSINESS STUDIES

PAPER 2

2 HOURS

**CHAMPIONS JET 2019 FORM FOUR EXAMS**

**Kenya certificate of secondary education 2019**

565/2

BUSINESS STUDIES

PAPER 2

march 2019

**INSTRUCTIONS TO CANDIDATES**

* Answer **all** questions in the spaces provided in the question paper
* All your workings **MUST** be shown

**For Examiners Use Only**

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

1. a) Explain **five** ways in which Kenya may benefits from being a member of the East Africa community. (10mks)

b) Describe **five** principles that distinguish cooperatives from other forms of business organizations. (10mks)

1. a)Explain **five** services that the central bank of Kenya may offer as a banker to commercial banks (10mks)

b) Discuss any **five** reasons why a firm may consider hiring a machine rather than buying.

1. a) Planning is an important aspect of economic development. Explain **five** reasons why a country should carry out development planning. (10mks)

(10mks)

b) Explain **five** challenges that may be experienced by a new entrepreneur who is intending to start a business in Kenya.(10mks)

1. a) Outline **five** circumstances under which a firm would carry out personal selling. (10mks)

b) The following transaction took place in Zaodon enterprises in the month of June 2015.

June 1 credit purchases Bunface 25,00 , Mary 30,000 Angela 40,000

June 4 credit sales Kopiyo 16,00, Francis 20,000

June6 credit purchase Margaret 10,000, Mary 35,000,Kadenge 50,000

June8 credit sales Zachary 60,000, Kopiyo 26,000 and Kidila 45,000

June 13 goods returned by Zaodon enterprises to Bunface 4000, Margaret 1,500 and Kadenge 3,000

June18 Credit purchase From Natalia 70,000

June 22 Goods returned at Zaodon enterprises by Kopiyo 1000 and Francis 2,4000

June 26 Credit sales to Kopiyo 54,000

June 31 Goods returned to Zaodon enterprises by Kidila 2000 and Kopiyo 4,000

**Required**

Record the above transactions in the relevant books of original entry.

1. a)The table below shows the demand and supply schedules for product A in a week

|  |  |  |
| --- | --- | --- |
| **Price (sh)** | **Quantity demanded (‘000’ tones)** | **Quantity supplied(‘000’ tones)** |
| 35 | 5 | 80 |
| 30 | 10 | 65 |
| 25 | 20 | 55 |
| 20 | 25 | 40 |
| 15 | 30 | 35 |
| 10 | 40 | 20 |
| 5 | 55 | 5 |

Using the information given in the table above, draw the price mechanism curves showing the equilibrium of the product.(10mks)

b) Explain five ways of making face to face communication effective.(10mks)

1. a) Pemba is an Island within the Indian Ocean. She had registered an improvement in her national income. Explain five factors that may have contributed to this trend.(10mks)

b) The following Trial balance was extracted from PEMUR STORES on 31st Dec 2009

Dr. Cr.

Shs. Shs.

Capital 250000

Stock 25000

Machinery 250000

Motor vehicles 87000

Purchase 360000

Sales 600000

Returns inwards 40000

Return outwards 20000

Discount received 5000

Carriage inwards 2000

Carriage outwards 3000

Bad debts (written off) 80000

General expenses 88000

Debtors 18000

Creditors 49000

Rent 1000

**954000** **954000**

Additional information;-

Closing stock was valued at sh. 22,000

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