

Name.....ADM NO.....Class.....

565/2

BUSINESS STUDIES

Paper 2

September 2021

KASSU JET EXAMINATIONS

Kenya Certificate of Secondary Education

BUSINESS STUDIES

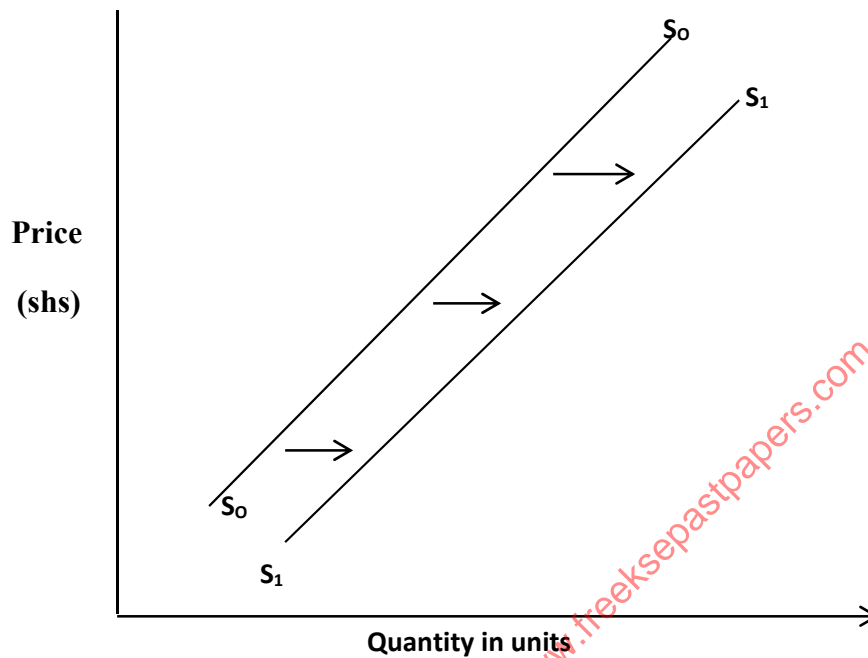
2 Hours 30 Minutes.

Instructions to Candidates

- a) This paper consists of **six** questions
- b) Answer any **five** questions
- c) Write your answers in the answer booklet
- d) All questions carry equal marks

QUESTION	1	2	3	4	5	6	TOTAL
MARKS SCORE							

1. (a). Outline **five** factors that may lead to growth of entrepreneurship in Kenya. (10mks)
- (b) . The diagram below illustrates a shift of the supply curve.



Explain **five** factors that may bring about the above shift in supply from S_0 to S_1 . (10mks)

2. (a). Outline **five** differences between partnership and co – operative forms of business units. (10mks)

(b). Explain **five** benefits that Kenya may enjoy as a member of East African community. (10mks)

3. (a). Explain **five** benefits of pooling of risks to an insurer. (10mks)

(b). The information below relates to Navakholo Traders. Prepare a duly balanced three column cash book . (10mks)

2020

February 1: balance b/d cash sh 40,000 and a bank overdraft of sh. 270,000

February 3: settled Beta creditors account of 80,000 by cheque, having deducted 6% cash discount.

February 7: received sh. 60,000 cash from Zoom traders.

February 15: deposited sh. 45,000 to the bank

February 20: withdraw sh. 92,000 from the bank for private use.

February 24: received sh. 199,500 from Delta by cheque after allowing 5% cash discount.

February 28: banked all the cash leaving only 15,000 in the office.

4. (a) Explain **five** measures that may be taken by the Government to solve unemployment problems. (10mks)

(b). Explain **five** factors that hinder economic development of Kenya despite the government's spending on the planning exercise. (10mks)

5. (a). Explain **five** uses of national income statistics (10mks)

(b) . Explain **five** roles that the central bank of Kenya plays as a government's bank. (10mks)

6. (a) Outline **five** features of hypermarkets. (10mks)

(b) The following information relates to HZ enterprises for the year ended 31/12/2021

Hz enterprises
Trial balance
As at 31/12/2021

Items	Dr(sh)	Cr(sh)
Premises	4,000,000	
Furniture	1,500,000	
Capital		4,900,000
Net profit		50,000
Stock	100,000	
Debtors	200,000	
Drawings	60,000	
Bank loan		1,900,000
Bank	970,000	
Cash	360,000	
Creditors		340,000
	<u>7,190,000</u>	<u>7,190,000</u>

Required: a). Hz enterprises balance sheet as at 31/12/2021 (4mks)

b). Calculate i). Capital invested (1mk)

- | | |
|------------------------|--------|
| ii). Borrowed capital | (1mk) |
| iii). Capital employed | (2mks) |
| iv). Working capital | (2mks) |

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