

NAME..... INDEX NO.....

SCHOOL..... CANDIDATE'S SIGN.....

DATE.....

565/2
BUSINESS STUDIES
Paper 2
Form Four
JUNE-2022
TIME: 2½HOURS



CEKENAS END OF TERM ONE EXAM-2022 FORM FOUR

Kenya Certificate of Secondary Education. (K.C.S.E)

565/2
BUSINESS STUDIES
TIME: 2½HOURS

INSTRUCTIONS TO CANDIDATES

- Write your name, and Index number in the spaces provided after the questions.
- Sign and write the date of examination.
- This paper consists of **Six** questions.
- Answer **any five** questions in the spaces provided after the questions.
- All questions carry equal marks
- Candidates **should answer the questions in English.**
- This paper consists of 3 printed pages, candidates should check to ascertain that all pages are printed as indicated and that no question is missing.

FOR EXAMINER'S USE ONLY

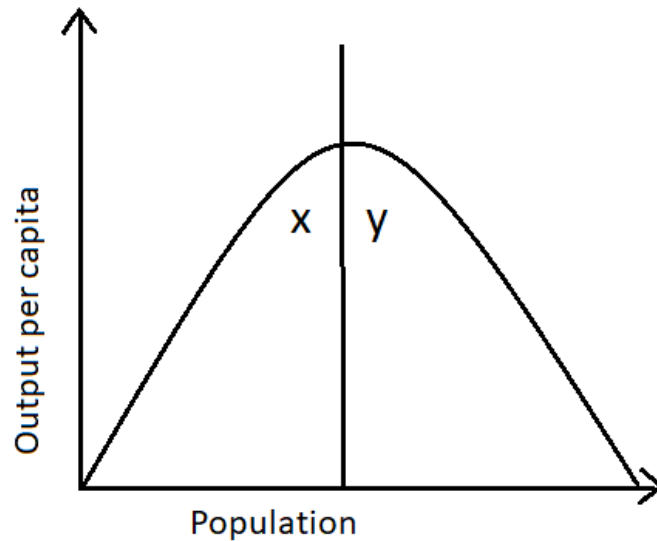
Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
Total Score	100	

1. a.) As business expands, it experiences economies of scale such as division of labour and specialization. Explain Five benefit of the economy of scale mentioned to the business (10mks)
- b.) Raju operate a large hardware business in a town in Kenya. A part from motor vehicle insurance policies, highlight giving reasons, five insurance policies that may be beneficial for this business. (10mks)
2. a.) Explain **Five** guidelines followed when using public funds (10mks)
- b.) Explain **Five** problems encountered in measuring National income using output approach (10mks)
3. a.) Students of Kiburu mixed day secondary school undertakes business studies as a subjects in their curriculum. Explain Four benefits of this to the local community (8mks)
- b.) The following balances were extracted from the books of Katiba Traders for the year ended 31st Dec 2012.

Carriage inwards	27,900
Carriage outwards	29,400
Purchases	60,000
Sales	120,000
Stock (31/12/2012)	26,500
Sales return	18,500
Stock 1/1/2012	35,000
Purchases return	45,000
Rent income	100,000
Discount received	6,800
Salaries	14,400
Rates	36,900
Electricity	25,000
Bad debt written off	2000
Discount allowed	6,900

- Required; Prepare trading, profit and loss account for the year ended 31st Dec (12mks)
4. a.) The government of Kenya is in the process of extending standard gauge way the standard rail Gauge way to Kisumu. Explain the benefits of this venture to the Kenya economy (10mks)

b.) The diagram below show the population and output per capita of China



Explain five advantages China would get in her total population is found in the part marked Y

(10mks)

5. a) ABZ limited operates a wholesale business .During the month of March 2021. The company carried out the following transactions

March1: Credit sale to Ochupe and Njeri were Sh. 200,000 and 180,000 respectively

March2: Credit purchase from Chebet sh. 150,000, Wambui sh.700,000 , Alfred sh 185,000. He also paid an advertisement expenses by cast sh 48,000.

March 5 : Credit sales to Abdalla sh 175,000, Mwangi sh 320,000, Ochupe sh. 135,000

March 8 : Goods returned by Ochupe sh 2800 and Njeri sh, 3100

March 12 : Goods returned by ABZ limited to Chebet sh, 30,000 and Alfred 25,000

March 27 :Paid Wambui her debt in cash after deducting a cash discount of 5%

March 28 : Received rent of sh 5,200 by bank

March 29 : Sold goods on credit to Njeri shs 220,000 and Njau shs 150,000

March : Goods returned by Njau shs 2,300

Required : Prepare relevant day books

(12mks)

5. b) Explain **five** advantages of M-pesa

(8mks)

6. (a) Using a well labeled diagram, illustrate, the effect of reduced cost of production on equilibrium price and output

(10mks)

b.) Explain **five** emerging issues in form of business units

(10mks)

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