

NAME:.....CLASS:.....ADM NO:.....

## LANET JOINT EVALUATION (LANJET 2022)

**BUSINESS STUDIES**

**FORM 4**

**PAPER 2**

**END OF TERM 2 2022**

**TIME: 2 ½ HOURS**

### INSTRUCTIONS.

**Answer any FIVE Questions**

1. a) Explain five causes of unemployment in Kenya. (10 Marks)  
 b) Explain five circumstances that would influence a producer to use wholesalers in distributing his produce. (10 Marks)
- 2.(a) Explain five factors that promote entrepreneurship in Kenya (10marks)  
 b). Explain five non-tax internal sources of revenue to the government. (10mks)
- 3 a) Explain five benefits that a country would get by encouraging investors to locate industries in rural areas. (10 Marks)
- b) On 1<sup>st</sup> May 2010 Musa Traders had sh. 15, 000 cash in hand and Sh. 160, 450 at bank. During the month, the following transactions took place.
 

May 2	Bought goods for Sh. 5, 400 and paid by cheque.
May 8	Received sh. 7, 200 cash from a debtor
May 15	Paid a creditor Sh. 18, 300 by cheque
May 16	Paid salaries sh 4, 200 in cash
May 18	Sold goods for sh. 9, 200 and was paid by cheque
May 20	Withdrew sh. 30, 000 from bank for office use
May 25	Received sh.8, 000 cash from a debtor
May 28	Paid general expenses sh. 4, 000 cash.
May 29	Deposited sh.10, 000 cash in bank
May 30	Paid for electricity sh. 2, 500 by cheque

Record the above transactions in a two column cash book and balance it off.  
 (10 Marks)
- 4(a). Explain five differences between private limited companies and public limited companies. 10 (Mks)

b) Explain five factors that could affect the quantity of cabbages supplied in a Market.

(10Marks)

5a) Explain five factors to consider when choosing an appropriate means of transport.

(10 Marks)

b). The following Trial Balance was extracted from the books of Mwangi Traders on 31<sup>st</sup> December, 2005.

Mwangi Traders  
Trial Balance  
As at 31<sup>st</sup> December, 2005

	<u>Dr (sh).</u>	<u>Cr (sh)</u>
Purchases	70,000	
Carriage Outwards	4,000	
Stock 1/1/2005	12,500	
Sales		95,000
Fixed Assets	82,000	
Creditors		8,500
Debtors	10,500	
Salaries	14,000	
Bank Overdraft		7,500
Returns	1,500	2,400
Cash In Hand	2,500	
General expenses	5,200	
Capital		88,800
	202,200	202,200

**Additional Information**

i). Closing stock was valued sh 6,500

ii). Salary outstanding was sh 2,800

Prepare the following

i. Trading, Profit and Loss Account

6mks

ii. Balance sheet

4mks

6. a). Explain five roles of commercial banks in the development of a country's economy. (10 Marks)

b) Explain five challenges that may be experienced by a country whose population is made up of large proportion of young people. (10 Marks)