

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

CLASS.....HOUSE.....SET.....SIGNATURE:.....DATE:.....

565/2**BUSINESS STUDIES****PAPER 2****August, 2022****TIME: 2 ½ HOURS.****SUKELEMO MOCK EXAM 2022*****Kenya Certificate of Secondary Education (K.C.S.E)*****INSTRUCTIONS TO CANDIDATES**

- (a) Write your name and Index Number on the spaces provided above.
 (b) Sign and write the date of the examination.
 (c) This paper consists of **six** questions.
 (d) Answer **any five** questions.
 (e) Candidates should answer questions in English.

For Examiner's Use Only

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total Score	

1. (a) Kamau enterprise has been running a successful furniture business in Kiambu. Over the last three years, sales have been declining. Explain **five** possible reasons behind this trend. (10 marks)
- (b) Explain **five** factors that a trader would consider when choosing a means of transport (10 marks)
2. (a) Highlight five differences between a Public Corporation and a Public Limited Company. (10 marks)
- (b) Explain five benefits of delocalization of firms to an economy. (10marks)
3. (a) Miss Cheptoo has opened a company in Nakuru town and she wants to set up an office for her staff. Explain **five** limitations of her setting up a landscape office layout. (10 marks)
- (b) The following trial balance relate to Lovete Traders as at 30th June, 2010

**LOVETE TRADERS
TRIAL BALANCE
AS AT 30TH JUNE, 2010**

	DR	CR
Land & building	750,000	
Bank	45,000	
Debtors/creditors	10,000	15,000
Opening stock	22,500	
Discounts	3,000	1,000
Purchases/sales	70,000	160,000
Wages	25,000	
Furniture	13,500	
Capital		771,850
Carriage outwards	1,150	
Carriage inwards	2,700	
Returns	7,500	9,500
Lighting	6,000	
Commissions		4,000
	<u>961,350</u>	<u>961,350</u>

Closing stock was valued at sh 11,000

Required

Prepare

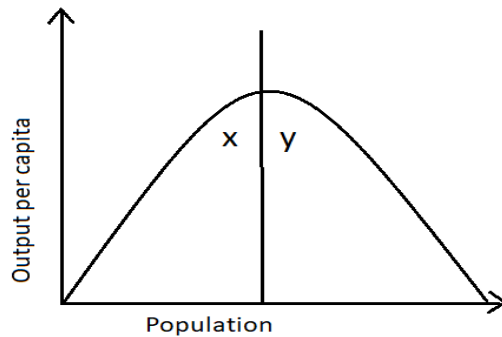
(a) Trading profit and loss account (8 marks)

(b) Calculate

i). Rate of return on capital (2 marks)

ii). Margin. (2 marks)

4. (a) The diagram below shows the population and output per capita of China



Explain four advantages China would get if her total population is found in the part marked Y. (10 marks)

(b) Explain five benefits that Kenya may get as a member of a trading bloc. (10 marks)

5. (a) Omondi wants to take an insurance cover for his new car. Discuss the process he should follow when obtaining an insurance policy. (10 marks)

(b) Mrs. Muthama had the following balances on 1st January 2020 Cash ksh 20,000 Bank ksh 50,000 (Cr). During the month of January the following transactions took place.

- Jan 2 - Cash sales directly banked Ksh 10,500
- Jan 5 - Debtor Oyaro paid his account of Ksh 80,000 by cheque less 10% cash discount.
- Jan 12 - Paid electricity bill sh 2,500 in cash
- Jan 15 - Paid the following creditors by cheque. Mwendwa Ksh 9700, Kokello Ksh 4850 after deducting a 3% cash discount in each case.
- Jan 16 - Withdrew Sh 3,000 from the bank from office use.
- Jan 25 - Received a cheque for sh 8,100 from Mwangi Traders in full settlement of their debt after allowing a 10% cash discount.
- Jan 28 - Withdrew sh 3,500 from the cash till to pay wife's hospital bill.
- Jan 30 - Deposited all the cash into the bank except sh. 2,000.

Required:

Prepare a duly balanced three column cash book (10 marks)

6. (a) Explain **five** monetary policy measures that can be used to tame inflation (10 marks)

(b) A country X has been suffering from underdevelopment. Explain five factors that may have hindered its development (10 marks)

Visit www.freeksepastpapers.com for more revision content