NAME…………………………………………..................... CLASS……SET……….

SIGNATURE………………………………………. HOUSE ………………….

**BUSINESS STUDIES**

**PAPER 2**

565/2

**TIME: 2 ½ HOURS**

SUKELLEMO PREMOCK TERM 1

**FORM 4**

**Instructions to candidates:**

1. **Write your name, class, admission number and name of your teacher in the spaces provided**
2. **Answer Only 5 questions in the foolscaps provided.**

**c). This paper consist of 3 printed sheets**

|  |  |
| --- | --- |
| **QUESTIONS** | **MARKS** |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| **TOTAL** |  |

1. (a) Explain five factors that may promote entrepreneurship in Kenya. (10 marks)
2. Explain 5 services that commercial banks offer to their customers. (10 marks)
3. (a) On 1st September 2018. Kwale traders had the following balances.

Cash sh. 55 000

Bank sh. 250.000(CR)

During the month, the following transactions took place

|  |  |
| --- | --- |
| September 2nd | cash sales banked sh. 535,260 |
| 3rd | Bought ribbons in cash sh. 4,500 |
| 8th | Paid Nyongesa, a creditor sh. 94,000 by cheque in full settlement of his account after deducting 6% cash discount. |
| 12th | Received a cheque for sh. 58,800 from Winnie after allowing her cash discount of sh. 1,200 |
| 14th | Purchased goods worth sh. 10,000 on credit from Thika Traders. |
| 15th | Paid salaries sh. 34.000 in cash. |
| 25th | Withdrew sh. 50,000 from bank for office use. |
| 28th | Anyango, a debtor. Paid her account of sh. 75,000 by cheque less 10% cash discount. |
| 30th | Deposited all the cash into the bank except sh. 13,700 |

Required: Prepare a **three** column cashbook as at 30th September, 2018. (10 marks)

(b) Explain five factors to consider when choosing office equipment. (10marks)

3. (a) Explain five measures that the government of Kenya has put in place to protect consumers from unscrupulous business practices. (10mks)

(b) Describe **five** types of unemployment to an economy and give cause of each. (10marks)

4. (a) Explain **five** channels of distribution that a trader may use to import goods. (10mks)

(b)Explain five factors that influence the choice of an appropriate means of transport (10mks)

1. (a) Using a well labelled diagrams, distinguish between movement along the supply curve and a shift in the supply curve. (10mks)

(b) Explain five services offered by wholesalers to the retailers. (10mks)

6. (a) Explain 5 disadvantages that a country may suffer out of international trade. (10mks)

1. The following information relates to Kabarnet Traders.

|  |  |
| --- | --- |
| **Details** | **Sh** |
| Stock 1st January 2017 | 430,000 |
| Purchases | 930,000 |
| Sales | 1,155,000 |
| Carriage outwards | 25,000 |
| Carriage inwards | 10,000 |
| Return outwards | 20,000 |
| Return inwards | 30,000 |
| General expenses | 100,000 |
| Insurance | 25,000 |
| Rent received | 15,000 |
| Stock 31st December 2017 | 470,000 |
| **Calculate** |  |
| 1. Turnover | (l mark) |
| 1. Rate of stock turnover | (3 marks) |
| 1. Mark up | (2 marks) |
| 1. Margin | (2 marks) |
| 1. Net profit | (2 marks) |
|  |  |