RAMBA BOYS’ HIGH SCHOOL

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

**565/2 BUSINESS STUDIES Paper 2**

**FORM FOUR TRIAL EXAMS**

**JULY 2023 2 ½ hours**

**Name ………………………………………………Index No……..……………**

**Date………………………………… Candidates Signature…….**

**Instructions to candidates**

1. *Write your* ***Name*** *and* ***Index number*** *in the spaces provided above.*
2. *Sign and write the date of the examination in the spaces provided above.*
3. *Answer* ***any Five*** *the questions in the spaces provided in the question paper.*
4. ***This paper consists of 3 printed pages.***
5. ***Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.***
6. ***Candidates should answer the questions in English.***

**FOR EXAMINERS’ USE ONLY**

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1. a. Explain **five** Office etiquette expected of office worker. (10 marks)

b. Describe **five** types of unemployment. (10 marks)

1. a. Explain **five** differences between sole proprietorship and public limited company. (10 marks)

b. The following trial balance was extracted from the books of Kiliku Enterprises on 31 December 2009.

|  |  |  |
| --- | --- | --- |
| **Account Title** | **Dr.** | **Cr.** |
|  | Sh. | Sh. |
| Gross profit |  | 440,000 |
| Capital |  | 1,530,000 |
| Furniture | 900,000 |  |
| Land | 600,000 |  |
| Advertising | 40,000 |  |
| Bank overdraft |  | 100,000 |
| Cash | 340,000 |  |
| Stock | 140,000 |  |
| Creditors |  | 130,000 |
| Debtors | 180,000 |  |
|  | **2,200,000** | **2,200,000** |

**Additional information:**

1. The gross profit of Kiliku Enterprises average at a margin of 20%
2. Stock on 1st January, 2009, was valued at Sh. 104,000.

**Calculate:**

i) Cost of sales

ii) The value of purchases

iii) Rate of stock turnover

iv) Working Capital.

v) Current ratio (10 marks)

1. a. Explain **five** factors that may limit the effectiveness of a warehouse. (10 marks)

b. Explain **five** reasons for maintaining books of original entry. (10 marks)

1. a. Explain **five** factors that Siaya county government may consider before incurring any expenditure. (10 marks)

b. Explain **five** reasons why per capita income is not a good indicator of standards of living. (10 marks)

1. a. Explain **five** benefits that Kenya may enjoy by being a member of African Development Bank (AfDB). (10 marks)

b. Explain **five** benefits that an organisation may enjoy by preparing a business plan. (10 marks)

1. a. Explain **five** reasons that accounts for the continued use of handcarts as a means of transport in Kenya. (10 marks)

b, Baraka started a business on 1st January 2023 with sh.15,000 in cash and sh. 130,000 in bank.

The following transactions took place during the month:

January 2023-

2 Cash purchases sh, 70,000

4 Paid rent sh. 10,000 in cash

10 Cash sales paid directly into the bank sh. 64,000

13 Deposited sh.50,000 into the bank from cash till

17 Paid wages in cash sh.4,000

19. Bought furniture for sh.36,000 paying sh.27,000 by cheque and the balance was to be paid later

20 Received sh.16,000 cash from a customer

23 Bought goods for sh. 190.000 by cheque

28 Received a loan of sh.210,000 from Maria in cash

30 Deposited all cash into the bank except sh.8,000

**Required;** Prepare a single column cash book duly balanced. (10 marks)