

565/2

NAME: INDEX NO:

SIGNATURE:,..... DATE :

ASUMBI GIRLS HIGH SCHOOL

POST -MOCK 1

AUGUST/SEPTEMBER

2022

AUGUST / SEPTEMBER - 2022

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

Instructions to Candidates

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided above.
- (c) This paper consists of **6** questions.
- (d) Answer **ANY FIVE** questions in the spaces provided
- (e) This paper consists of **3** printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing
- (f) Candidates should answer the questions in **English**

For Teacher's Use Only

Question	Maximum Score	Candidate's Score
	20	
	20	
	20	
	20	
	20	
	Total Score	

1. a) Explain **five** methods used by central bank to increase money supply in the economy. (10mks)
- b) Discuss **five** ways in which the government can reduce unemployment levels in Kenya (10mks)
2. a) Explain **five** factors that may limit the use of containers as a method of transporting goods in a developing country. (10mks)

b) The following Trial balance was extracted from the books of Kabaka traders as at 30/6/2018.

Kabaka Traders
Trials balance as at 30/6/2021

Particles	Dr	Cr
Sales		900,000
Purchases	600,000	
Return inwards	80,000	
Carriage inwards	40,000	
Return outwards		20,000
Carriage outwards	3,000	
Stock 1 st Jul 2017	100,000	
Rent	60,000	
Delivery van	180,000	
Bank	60,000	
Creditors		170,000
Debtors	120,000	
Discount allowed	80,000	
General expenses	18,000	
Capital		178,000
	<u>1,268,000</u>	<u>1,268,000</u>

Stock on 30th June 2018 was valued at 135,000/=

Required:

Prepare Kabaka Traders Trading profit and loss A/c.

- 3 a) Explain **five** advantages of government involvement in Business. (10mks)
- b) Discuss five factors that may influence entrepreneurial practices positively in the country (10mks)

4. a) Apart from selling of shares, explain **five** other sources of finance for public limited company. (10mks)

b) Explain **five** features of oligopoly. (10mks)

5 a) Muema is planning to construct a warehouse for renting. Explain **five** measures that he may take to ensure its smooth operation. (10mks)

b) Outline **five** measures that the Kenya government may take to reduce unemployment. (10mks)

6 a) Explain **five** methods used to distribute imported manufactured goods. (10mks)

b) The following transactions relates to Konate Traders for the month of December 2010.

Dec 1st Started a business with sh. 200,000 in the Bank account.

2nd Bought furniture for sh, 50,000 and paid by cheque

3rd Sold goods on credit to Tilashs, 20,000; Katu 10,000

4th Bought goods on credit from Kahamash 30,000; Kanga shs. 40,000

5th Returned faulty goods to Kahamash 5,000

6th Paid Kahama on account by cheque less 10% cash discount.

7th Received faulty goods from Katushs. 2000

8th Received payment due from Tila and Katu by cheque less 5% cash discount.

9th Cash sales shs. 100,000

10th Paid for wages shs. 20,000 by cash and electricity shs.10,000 by cheque.

11th Deposited all the cash in hand into the bank account.

Required:

Prepare a three-column cash book duly balanced (10mks)