**MOKASA II JOINT EXAMINATION**

**Kenya Certificate of Secondary Education.**

**565/2 BUSINESS STUDIES Paper 2 September, 2022 – 2½ hours**

**Name:** …………………………………………………… **Adm No.:** ……………… **Class** …………..

**Candidate’s Signature**: ………………………………... **Date**: ………………………………………

**Instructions to Students**

1. *This paper consists of* ***six*** *questions.*
2. *Answer any* ***five*** *questions.*
3. *Answers should be written in the spaces provided after question* ***six.***
4. *All questions carry equal marks.*
5. ***This paper consists of 15 printed pages.***
6. ***Students should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.***
7. ***Students 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). Describe **Five** office etiquette qualities that an office worker should have. (10 marks)

(b). Explain **Five** reasons why a country needs to prepare a development plan. (10 marks)

1. (a). Explain **Four** circumstances under which a Limited liability company can be terminated. (8 marks)

(b). Kiprono started business on 1st January 2022 with 100,000 in the bank and 80,000 cash in hand. His transactions for the month of January were as follows.

Jan 4: Purchased office equipment by cheque worth 20,000

Jan 8: Bought stock worth 10,000 in cash

Jan 15: Sold goods worth 25,000 to Kilel on credit

Jan 18: Withdrew 40,000 from bank and kept it in the office to be used for marking minor payments when necessary.

Jan 22: Bought stock worth 15,000 on credit from Otieno

Jan 26: Purchased stationary worth 22,000 in cash

Required:

Record the above transactions in the relevant ledger accounts, balance them off on 31st January 2022 and extract a trial balance as at that date. (12 Marks)

1. (a). Given below is a table showing the market supply for a commodity from January to May 2022.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month | January | February | March | April | May |
| Quantity Supplied  | 10,000 | 13,000 | 17,000 | 25,000 | 27,000 |
| Price | 120 | 120 | 120 | 120 | 120 |

Outline **Five** factors that may have contributed to the trend in the quantity supplied from January to May, 2022. (10 marks)

(b). Explain **Five** factors that may contribute to demand – pull inflation. (10 marks)

1. (a). Explain **Five** measures that the government can take to increase the volume of exports. (10 marks)

(b). Explain **five** factors that may lead to increase in the level of National income.

 (10 marks)

1. (a). Explain any five reasons that could be contributing to increased use of credit cards in transacting business in the world today. (10 marks)

(b). Explain five positive implications of a country whose population is mainly dominated by the youthful population. (10 marks)

1. (a). Describe **four** features of an effective warehouse. (8 marks)

(b). The following trial balance was extracted from the Ledgers Accounts of Ashley’s electronics business on 31st December 2020.

**Ashley’s Electronics**

**Trial Balance**

**As at 31st December 2020**

|  |  |  |
| --- | --- | --- |
| **TITLE OF ACCOUNT** | **DEBIT (Dr)****SHS.** | **CREDIT(Cr)****SHS.** |
| Gross ProfitEquipmentMotor vehicleElectricityCarriage outRentDiscount SalariesCommission InsuranceCash at bankDebtorsABC Bank loanCapitalCreditors  |   90,000250,000 12,000 3,300 50,000 8,000 12,900  15,000100,000 36,000   | 157,000 20,000  10,700  5,000 100,000250,000 34,500 |
| **TOTAL** | **577,200** | **577,200** |

Prepare:

* 1. Profit and Loss account for the year ended 31st December 2021. (6 marks)
	2. A balance sheet as a 31st December 2021. (4 marks)
	3. Calculate, (2 marks)
1. Working capital
2. Capital Employed