**NAME………………………………………………………. INDEX NO………………………**

**SCHOOL…………………………………………………ADM NO……………………………**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**Time: 2hours 30minutes**

**MOKASA II EXAMINATION**

**BUSINESS STUDIES**

**PAPER 2 2022**

Instructions

1. *Write your name, index number, school and signature in the spaces given above.*
2. *Sign and write the date of the examination in the spaces provided above*
3. *Answer any five questions.*
4. *All answers should be written in the space provided below each question.*
5. *Candidates should check the question paper to ascertain that all the questions are printed.*
6. *All questions should be answered in English.*

***For official use only***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Question** | **1** | **2** | **3** | **4** | **5** | **6** |
| **Marks** |  |  |  |  |  |  |

**TOTAL**

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 **Five** circumstances under which a Limited liability company can be terminated. (10marks)

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 2021 and extract a trial balance as at that date.

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. There is an increase in the number of customers using credit cards as a term of payment to transact business in the world today. Explain any five reasons that could be contributing to this increased use of credit cards. (10marks)

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 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 Profit  Equipment  Motor vehicle  Electricity  Carriage out  Rent  Discount  Salaries  Commission  Insurance  Cash at bank  Debtors  ABC Bank loan  Capital  Creditors | 90,000  250,000  12,000  3,300  50,000  8,000  12,900    15,000  100,000  36,000 | 177,000    10,700    5,000    100,000  250,000  34,500 |
| **TOTAL** | **577,200** | **577,200** |

Stock on 1st January 2020 was valued at shs. 77,000.

Prepare:

* 1. Profit and Loss account for the year ended 30th April 2010. (6 marks)
  2. A balance sheet as a 30th April 2010. (4 marks)
  3. Calculate, (2marks)

1. Working capital
2. Capital Employed