Name………………………………………..….… Adm No………………. Class…………………….

Candidate’s Signature…………………….……….….…...Date…………………………………………

 (SCHOOL OF CHOICE)

**ST. BRIGID’S - KIMININI**

**POST MOCK – 2024 SERIES**

***Kenya Certificate of Secondary Education***

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**SEPTEMBER 2024**

**TIME: 2 HOURS 30 MINUTES**

**INSTRUCTIONS TO CANDIDATES**

1. *Write your name and admission number in the spaces provided above*
2. *Write the name of your school and sign in the spaces provided above*
3. *This paper consists of six questions*
4. *Answer any five questions in the spaces provided at the end of question 6*
5. *Each question carries equal marks*
6. *Non-programmable silent electronic calculators may be used*
7. *This paper consists of 2 printed pages*
8. *Candidates should check the question paper to ascertain that all the pages are printed as indicated and no questions are missing*
9. *Candidates should answer the questions in English*

**FOR EXAMINERS USE ONLY**

|  |  |  |
| --- | --- | --- |
| **Question** | **Maximum Score** | **Candidates score** |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
| **Total score** | **100** |  |

1. a) Explain **five** circumstances that may lead to the existence of a business

 opportunity to be exploited by the entrepreneur (10marks)

 b) Explain **five** reasons why an effective filing system is important in a business

 (10marks)

2. a) Explain **five** differences between chain stores and departmental stores (10marks)

 b) Explain **five** elements of effective communication (10marks)

3. a) The following information was extracted from the books of Queenter Traders as

at 31st Dec 2023

 **Kshs**

 Sales x

 Purchases 500,000

 Return inwards 90,000

 Return outwards 26,000

 Creditors 150,000

 Rent 60,000

 Delivery van 160,000

 Carriage outwards 3,000

 Debtors 120,000

 Carriage inwards 40,000

 Bank 60,000

 Stock (1ST Jan 2023) 100,000

 Interest expenses 10,000

 Bad debts 7,000

 Stock (31st Dec 2023) 188,000

 Bank overdraft 4,000

 Discount received 4,000

 Capital 170,000

**Additional information:**

 Gross profit margin is stated at 40%

 **Required :**

1. Prepare a trading, profit and loss account for the year ended 31st Dec,2023

 (10marks)

1. Compute the rate of stock turnover (2marks)

b) Explain **four** methods of determining the price of a product other than government interaction measures (8marks)

4. a) Explain **five** benefits a wholesaler may get if he operates his own warehouse

 (10marks)

b) Outline **five** demerits of direct taxes (10marks)

5. a) Discuss **five** causes of unfavourable balance of payment for developing countries (10marks)

 b) Describe **five** channels of distribution that a Kenyan manufacture would use to

ensure her goods reach consumers in another country (10marks)

6. a) Explain **four** factors that may hinder the development of a country (8marks)

 b) The following balances relate to Karonji stores as at 31st November 2023

 Land and buildings 1,200,000

 Motor vehicle 600,000

 Stock 120,000

 Trade debtors 50,000

During the week ending 7th Dec 2023 the following transactions took place December 2nd bought stock on credit 80,000

 3rd – sold stock on credit 62,000

 6th – received 100,000 cash from debtors

 Required: Open the relevant ledger entries, balance them and extract a trial balance as at

 7th December 2023 (12marks)

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IS THE LAST PRINTED PAGE.**