

565/2

NAME: INDEX NO:

SIGN..... DATE:



KCSE ACHIEVERS PREDICTION



Kenya Certificate of Secondary Education

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 answer sheets 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	100	



1 a) James runs a manufacturing firm and has employed seventy workers. Explain five reasons why it would be beneficial to assign each worker a specific job in production (10 marks)

b) Discuss five factors that will lead to an increase in a country's national income. (10 marks).

2 a) Explain five factors that a business organization would consider when choosing office equipment. (10 Marks)

b) Discuss five reasons why a government would opt to sell its public corporation (10 marks)

3 a) The following balances relate to kanji stores as at 31st march 2023

Land and buildings	1000000
Motor vehicle	800000
Stock	100000
Trade debtors	70000

During the week ending 7th April 2023. The following transactions took place –

April 2nd –Bought stock on credit 80000

3rd – Sold stock on credit 42000

6th-Received sh 100000 cash from debtors

Required: open the relevant ledger entries, balance them and extract a trial balance as at 7th April 2023 (12 marks)

b) Outline four importance's of insurance in the Kenyan economy (8 marks)

4 a) The following transactions were extracted from the books of daraja traders;

2023 June 1-balance brought forward cash ksh 1900, bank ksh 6500

3-sold goods in cash ksh 1200

5- Paid transport by cheque ksh 2050

7 –bought goods worth ksh 2500 in cash less 5% cash discount

10-paid postage charges by cheque ksh 3000

12-daraja deposited ksh 600 from cash till to the business bank account

13-bought goods ksh 8400 by cheque

15- Sold some old furniture for sh 3900 and received the money in cash



- 17 –brought a table to be used in the business whose value was ksh 1800
- 18- Paid electricity bill by cheque ksh 2100
- 20- Sold some goods against a cheque for ksh 6600 whose value was ksh 6850
- 21- Took cash ksh 400 for family use
- 26- Sold goods on credit to kimani valued at ksh 4500
- 28- Received cash ksh 1500 from bidii stores
- 30- Deposited all cash with the bank except ksh 3525.

Required: prepare a three column cash book duly balanced (10 marks)

- b) Outline any five factors to consider while locating a warehouse (10 marks)
- 5 a) Discuss five challenges that a young population poses to a country (10 marks)
- b) Explain five circumstances under which oligopoly market structure may be created (10 marks)
- 6 a) Explain five factors that should be considered by a firm when deciding on the method to use for promoting his products (10 marks)
- b) With the aid of a suitable diagram. Explain the effects of a decrease in supply on the equilibrium price and quantity. (10 marks)

