**MURANG’A COUNTY EXTRA-COUNTY SCHOOLS (MECS)**

**KENYA CERTIFICATE OF SECONDARY EDUCATION**

**SEPTEMBER 2022- 2 ½ Hrs**

**565/2 – BUSINESS STUDIES – PAPER 2**

**NAME…………………………………………………………………**

**ADM NO…………………CLASS…………………**

Instructions to candidates

1. Write your name in the spaces provided.
2. The paper consist of Six questions
3. Answers any **Five** questions in the spaces provided.
4. All questions carry equal marks
5. Non programmable electronic calculator may be used.
6. Candidates should answer questions in English.

**For Examiners use only**

|  |  |  |
| --- | --- | --- |
| **Question** | **Maximum Score** | **Candidates Score.** |
| 1. |  |  |
| 2. |  |  |
| 3. |  |  |
| 4. |  |  |
| 5. |  |  |
| 6. |  |  |
| **TOTAL SCORE** | |  |

1.a) Explain **Five** factors that one needs to consider when selecting an office layout. (10Mks)

b) Outline **Five** measures that may be taken by the Kenyan government to promote her exports. (10Mks)

2. a) There has been a general rise in prices of consumer goods and services in Kenya. Explain **Five** negative effects of this trend. (10 Mks)

b) Highlight **Five** measures that the Kenyan government has put in place to facilitate an efficient road transport. (10Mks)

3. a) Explain **Fou**r ways in which the government may positively influence / attract business activities to a given area. (8Mks)

b) The following trial balance was extracted from the books of Daisy Traders as at 31/12/2021.

**Daisy Traders**

**Trial Balance**

**As at 31st December 2021**

|  |  |  |
| --- | --- | --- |
| **A/C NAME** | **DR (Shs)** | **CR (Shs)** |
| Purchases & Sales  Stock (1/1/2021)  Debtors  Commission  Returns  Carriage inwards  Carriage outwards  Bad debts  Wages  Rates  Buildings  Furniture  Bank overdraft  Insurance  Discounts  Drawings  Creditors  Cash at bank  Cash in hand  Capital | 275,000  30,000  47,000  10,000  16,000  8,000  3,000  20,000  12,000  450,000  180,000  19,000  5,000  25,000    250,000  40,000 | 390,000    36,000  6,000  210,000  7,000  52,000  689,000 |
|  | 1,390,000 | 1,390,000 |
|  |  |  |

Additional information:

Stock was valued at Sh.50,000 as at 31ST/12/2021.

Required:

1. Prepare Daisy Traders, Trading, profit and loss Account for the year ended 31/12/2021. (7Mks)
2. Balance sheet as at 31/12/2021. (5Mks)

4. a) Co-operative societies have become very popular today. Discuss **Five** features of a co-operative society. (10Mks)

b) With the aid of a diagram, explain the effect of an increase in consumers’ level of income on the equilibrium price and quantity. (10Mks)

5.a) Explain Five circumstances under which a country may experience low levels of national income. (10Mks)

b) Explain Five ways in which insurance industry contributes to the development of a country’s economy. (10Mks)

6. a) Explain **Five** measures that can be taken to reduce the level of unemployment. (10Mks)

b) Zakayo Traders had the following balances on 1st July 2012.

SHS.

Equipment 5,600

Bank 35,000

Debtors 28,000

Creditors 66,600

During the month the following transactions took place:

July 6TH – Purchased goods worth Sh.9,500 by cheque.

July 7TH – Paid creditors, Sh. 10,600

July 23RD – Received a cheque of Sh.22,00 for goods sold.

July 28TH – Withdrew Sh. 5,000 from the bank to pay salaries.

Required:

Open the relevant ledger accounts and extract a trial balance as at 30TH July, 2012. (10Mks)