**SUNRISE 2 END TERM TWO F4 EXAMS - 2022**

***Kenya Certificate of Secondary Education (K.C.S.E)***

**Name………………………………………………………………ADM No….………… CLASS………**

**School ……………………………………………………………Signature………….**

**Date………………….**

**Student Target**

**Term 2 - 2022**

**565/2**

**BUSINESS STUDIES PAPER TWO**

**Form 4**

**September 2022**

**Time: 2 1/2 Hours INSTRUCTIONS TO CANDIDATES**

***Answer any five questions in the spaces provided.***

**For Examiner’s Use Only**

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| **Question No** | **1a** | **1b** | **2a** | **2b** | **3a** | **3b** | **4a** | **4b** | **5a** | **5b** | **6a** | **6b** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |

**ACHIEVED**

1. (a) **Explain** negative effects of any five macro environmental factors on a business. (10 marks)

(b) Explain five uses of National Income statistics to an economy. (10marks)

1. (a) Explain **any five** features of a good filing system. (10 marks)

(b) The following transactions relate to Koko Traders for the month of September 2010.

Sept. 2 Sold goods on credit to Chui Shs. 12,000 and Jane Shs.16,000

Sept. 8 Bought goods on credit from Shah Traders Shs. 40,000.

Sept. 12 Chui returned goods worth Shs. 2,000.

Sept. 15 Purchased goods on credit from Tanui Shs. 34,000 and Peter Shs. 31,050.

Sept. 20 Goods worth Shs. 6,000 were returned to Shah Traders and goods

worth Shs. 3,000 to Tanui.

Sept. 23 Goods sold on credit to Chui Shs. 8,000, Tom Shs. 11,000 and Joseph

Shs. 13,000.

Sept. 27 Goods returned by Tom Shs. 2,000.

**Required:**

Prepare the relevant Journals and balance them off. (10marks)

1. (a) Explain five principles of insurance. (10marks)

(b) Explain five problems a developing country will encounter in the implementation

stage of development planning. (10marks)

1. (a) Kenya experienced a general increase in prices of goods and services due to Covid-19

pandemic. Explain **five** negative effects of this to the Kenyan economy (10 marks)

(b) Explain five causes of unfavourable balance of payment for most developing countries.

(10 marks)

1. (a) With the aid of a suitable diagram, explain the effects of a decrease in supply on the

equilibrium price and quantity of a product (10 marks)

(b)Explain **five** roles of central bank in an economy (10 marks)

1. (a) Explain **five** Benefits of an enclosed office plan. (10 marks)

(b) On 1st July, 2016 Ekalale Traders had cash in hand sh. 85,200 and cash at bank sh.40,000

(Cr). During the month, the following transactions took place:

**July**

2 cash sales sh. 42,630 was paid directly into the bank

5 Received a cheque of sh. 14,100 from Ruth in full settlement of her account.

9 Bought goods worth sh. 26,240 cash.

12 Cash sales sh. 42,950 payment received by cheque

15 Paid Ndoigo’s account of sh. 25,000 in cash less 5% cash discount.

17.Paid wages sh. 24,000 in cash

18 Withdrew sh. 16,000 from bank for office use.

20 Bought stationery sh.850 cash

22 Cheque received from Ruth was dishonoured.

28 Received a cheque of sh. 9,500 from Kemamo after he deducted a 5% cash discount

31 All cash was banked except sh.10,000.

**Required:**

Prepare a three column cash book duly balanced. (10 marks)

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