**END OF TERM 2 2022**

**FORM 4**

**565/2**

**BUSINESS STUDIES**

**Paper 2**

**2 Hours 30minutes**

**NAME:…….………….………………..……ADM NO…………….DATE………**

**CLASS:………………….…..SIGNATURE………………………..………**

1. a) Explain **five** benefits of operating a public limited company (10marks)

(b) Discuss **five** ways in which commercial banks facilitate trading activities in the community. (10 marks)

(2a) Explain **five** factors that an entrepreneur would consider when evaluating a business opportunity. (10 marks)

(b)Explain **five** sources of public finance. (10 marks)

3a) Explain **five** methods that the government of Kenya may adopt in its effort to control high population (10 marks)

b) Explain the various ways in which computers have improved efficiency in business organizations (10 marks)

(4a) On 1st March 2017 Staicy Enterprises had Ksh 7,800 cash in hand and a bank overdraft of Ksh 24,300. During the month, the following transactions took place.

2017

March 2: cash sales paid directly into the bank sh 165,000

4: cash sales sh. 50,000

6 Bought goods for ksh 15,000 and paid by cheque

7: Bought goods on credit worth 5000 from Jane

9: received a cheque for sh 18,000 from Amollo

13: Paid insurance premiums sh 16,000 in cash

15: Paid Kamotho by cheque sh 9,700 after deducting 3% cash discount

21 Withrew sh 30,000 from a bank for office use

24: received a cheque for ksh 23,750 from Rotich having allowed him 5% cash discount

25: Paid wages in cash sh 20,000

28: A cheque that was received from Amollo was dishonoured

30: Banked all the cash, except sh 3,000

**Required:**

Prepare a three column cashbook and balance it off on 30th March 2017 (12mks)

4b) Apart from sources of demand and supply, describe any other **four** ways in which the price

of a commodity can be determined in the market (8 marks)

5a) Explain **five** ways of improving the efficiency of a warehouse (10 marks)

5b) Explain **five** problems of using per capita income to measure the standards of living of people in a country (10 marks)

6a) Explain **five** means of payment available to traders in Kenya. (10marks)

6b) the following balances were extracted from the books of Mwanabiashara traders as at 31st December 2015

Purchases 480,000

Carriage inwards 29,000

Returns outwards 80,000

Sales 700,000

Stock 1/1/2015 90,000

Returns inward 30,000

Salaries 13,000

Electricity 10,000

Telephone 16,400

Rent 17,000

Carriage Outwards 20,200

Insurance 30,200

General Expenses 28,400

Stock 31/12/2015 12,600

Discount received 16,800

(i) Prepare a trading, profit and loss account for Mwanabiashara traders for the period ended 31st December 2015. (8 marks)

(ii) Calculate the rate of stock turn over. (2 marks)