

NAME.....ADM NO .....

SCHOOL.....STREAM .....

565/2

BUSINESS STUDIES

PAPER 2.

JUNE

TIME:2 1/2 HOURS

# MARANDA BUSINESS STUDIES EXAMINATION. 2022

***KENYA CERTIFICATE OF SECONDARY EDUCATION***

565/2

TIME:2 1/2 HOURS

## INSTRUCTION TO CANDIDATES

- a). Write your name ,stream and admission number
- b). This paper consist of six questions.
- c). Answer any five questions of your choice.
- d). Candidates should answer the questions in English.
- e). Ensure that you have all the questions before answering.

**For Examiner's use only.**

| QUESTIONS          | Maximum score. | Candidate's score. |
|--------------------|----------------|--------------------|
|                    | 20             |                    |
|                    | 20             |                    |
|                    | 20             |                    |
|                    | 20             |                    |
|                    | 20             |                    |
| <b>Total score</b> | <b>100</b>     |                    |

- 1.(a). Explain five characteristics of human wants (10mks).  
 (b). Explain five sources of monopoly (10mks).
2. (a). Explain five services offered by wholesalers to consumers (10mks).  
 (b). The table below shows the supply of tomatoes in Njoro market for a period of six months.

| Month        | JAN | FEB  | MAR  | APR  | MAY  | JUNE |
|--------------|-----|------|------|------|------|------|
| Price (shs.) | 120 | 120  | 120  | 120  | 120  | 120  |
| Quantity kg  | 900 | 1080 | 1270 | 1330 | 1407 | 1500 |

Explain five Factors that may have led to the above trend (10mks).

- 3.(a). Explain five reasons why a trader in Mombasa would prefer to transport Goods to Nairobi by standard gauge railway instead of road (10mks).  
 (b). Explain five negative effects of inflation (10mks).
4. (a). Explain five reasons for a business preparing a business plan (10mks).  
 (b). Explain five importance of insurance in an economy (10mks).
5. (a). Explain five essentials of an effective warehouse (10mks).  
 (b). Journalise the following transactions which took place in the business of Wafula traders during the month of march 2019.

Mar 5: purchased office furniture on credit for shs. 25,000 From Miugiza furniture Limited.

Mar 10: A machine worth shs.60,000 was sold to Kisumu traders on credit

Mar 15: an equipment worth shs. 80,000 was sold on credit to Bondo traders for sh. 90,000.

Mar 20: Bought a new motor vehicle forsh. 800,000 from Explo motors limited . paying shs. 300,000 in cash and the balance was to be settled at later date.

6. (a). Explain five causes of unemployment in Kenya

(10mks).

The following trial balance was extracted from the books of Kamau traders as at June 2018.

Kisumu traders

Trial balance

As at 30 June 2018.

|                            | Dr.(shs.) | Cr(shs.)  |
|----------------------------|-----------|-----------|
| premises                   | 1,500,000 |           |
| Debtors and creditors      | 20,000    | 30,000    |
| Cash at bank               | 90,000    |           |
| Cash in hand               | 10,000    |           |
| Purchases and sales        | 140,000   | 320,000   |
| Stock of goods on 1/7/2017 | 45,000    |           |
| Discounts                  | 11,000    | 2,000     |
| Salaries and wages         | 50,000    |           |
| commissions                | 1,000     | 8,000     |
| Power and lighting         | 12,000    |           |
| Returns                    | 15,000    | 18,700    |
| Carriage inwards           | 5,400     |           |
| Carriage outwards          | 2,300     |           |
| Interest on loans          | 1,000     |           |
| Furniture                  | 27,000    |           |
| Rent                       | 1,000     |           |
| Advertising                | 1,000     |           |
| Capital                    |           | 1,553,000 |
| Total                      | 1,931,700 | 1,931,700 |

Additional information

Closing stock on 30 June, 2018 was 22,000.

Required :

(b). Prepare Trading profit and loss account for the period ended on 30 June 2018.