**NAME …………………………………………………………. ADM NO……………………………**

**SCHOOL ………………………………………………… CLASS ……………………………………**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**FORM FOUR**

**(AUGUST/SEPTEMBER)**

**TIME. 2 ½ HOUR**

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**CEKENAS END OF TERM TWO EXAMS-2022**

**FORM FOUR**

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

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**FORM FOUR**

**(AUGUST/SEPTEMBER)**

**TIME. 2 ½ HOUR**

**INSTRUCTIONS**

1. Write your name and index number on the answer booklet provided above.
2. Sign and write the date of the examination in the spaces provided above
3. This paper consists of six questions.
4. Answer any **five** questions in the spaces provided after question 6.
5. All questions carry equal marks.
6. **This paper consists of 14 printed pages.**
7. **Candidates should check to ascertain that all pages are printed as indicated and that no questions missing.**
8. **Candidates should answer the questions in English**

**For Examiner’s Use Only**

|  |  |  |
| --- | --- | --- |
| **Question** | **Maximum Score** | **Candidate’s Score** |
| **1** | **20** |  |
| **2** | **20** |  |
| **3** | **20** |  |
| **4** | **20** |  |
| **5** | **20** |  |
| **6** | **20** |  |
|  | **Total Score** |  |

1. a) Assuming you were planning to start a business after form four, explain any **five** factors you would consider when evaluating your business idea. (10 marks)

b) Distinguish between whole life insurance policy and endowment insurance policy

(10marks)

2. a) Explain **five** benefits that may be realized by a country as a result of government policy to

relocate industries to rural areas. (10 marks)

b) Outline **five** ways in which an office manager can ensure that the company’s property is

safeguarded. (10marks)

3. a) There has been a decline in the demand for wooden furniture in Kenya. Explain **five**

factors that may have cause this trend. (10 marks)

b) On 1st January 2022 Fadhili Traders had 180,000 cash in hand and a bank credit balance

of sh 56800 . During the month the following transactions took place (l0marks)

**Jan**

3rd cash sales sh 21,800

5th A debtor settled his account of sh 75,000 by cheque

10th Paid salaries sh 40,000 in cash

12th withdrew cash sh 3500 to settle a personal debt

23rd Received a cheque shs 11520 from Kavutha wholesalers after deducting 4% cash discount

24th Deposited sh 10,000 in the bank from office cash till

25th Purchased stock worth sh 8950 on credit from Ngumo distributors

26th Cash sales banked directly sh 38,000

27th A cheque received on 5th from debtor was dishonored. The bank charged him sh 500

29th Settled creditors account sh 6000 by cheque less 5% cash discount

31st Banked all cash except sh 20,000

Required: Prepare a three column cash book dully balanced (10 marks)

4. a) Apart from selling shares explain **five** sources of finance for a public limited company

(10 marks)

b) Inflation has been on the rise in the Kenyan economy, explain **five** monetary policies that

can be used by the government to curb inflation (10 marks)

5. a) Explain **five** reasons for differences in terms of trade between countries (10 marks)

b) Jayden enterprises had the following trial balances for the year ended 2021.

|  |  |  |
| --- | --- | --- |
| Trial Balance  As at 31st December 2021 | | |
| Details | DR | CR |
| Insurance  Bad debts  Carriage inwards  Carriage outwards  Commission received  Discount  Stock ( 1/1/2021)  Purchases  Rent  Returns  Sales | 20000  30000  50000  20000  100000  100000  1000000  40000  150000  - - - - -  1510000  \_\_\_­­\_\_\_\_­ | 100000  50000  200000  1160000  1510000 |

Additional information: Stock as at 31St December 2021 was Sh. 250,000

Prepare a Trading Profit and Loss account for Jayden Enterprises for the year ended 31st December 2021 (10 marks)

6. a) State and explain **five** benefits of using computers in an office (10 marks)

b) Explain **five** reasons for which traders observe ethical practices in product promotion

(10 marks)

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