**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Adm. No\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Index No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ School:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Candidate’s Sign\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**565/2**

**BUSINESS STUDIES**

**Paper 2**

**August/September, 2022.**

**Time: 2 Hours**

ARISE AND SHINE TRIAL EXAMINATION

Kenya Certificate of Education (KCSE)

**Instructions to candidates:**

1. Write your **name** and **index number** on the answer booklet provided
2. This paper consists of six questions
3. Answer any **five** questions
4. All questions carry equal marks
5. Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| QUESTION | 1 | 2 | 3 | 4 | 5 | 6 | TOTAL |
| MARKS |  |  |  |  |  |  |  |

***Answer Any Five Questions***

1. (a) Explain any **five** measures a country may adopt to increase its volume of exports. (10 marks)

(b) Explain **five** characteristics of economic resources. (10 marks)

1. (a) Dr. Korir a surgeon opened up a clinic in his rural home of Kapkoros. The business closed after six months. Explain **five** reasons for the business failure. (10 marks)

(b) Highlans Ltd started business on 1st May 2022with sh.250,000 consisting of:

Cash at bank Shs.200,000,

Cash in hand Shs.30,000,

Furniture Shs.20,000.

The following transactions took place during the month of May.

3rd May 2022, Motor van worth Shs.85,000 and stock of Shs.25,000 were bought on credit

6th May 2022, more stock worth shs.10,000 was bought on cash

9th May 2022, withdrew money from bank sh.50,000 for office use

15th May 2022, sold stock to a customer on credit worth shs.18,500

19th May 2022, received a cheque for the full settlement of a debt owed from the transaction of 15th May 2022.

23rd May 2022, paid Shs. 65,000 by cheque for the motor van bought earlier on credit

31st May 2022, paid Shs 20,000 cash for the stock bought on credit

**Required:**

Prepare the balance sheet of Uhuru Highway Ltd as at 31st May 2022 (10 marks)

1. (a) Explain **five** measures that Kenya government should adopt to solve the widespread cases of unemployment. (10 marks)

(b) Discuss any **five** current trends in communication (10 marks)

1. (a) Explain **five** Money transfer facilities provided by commercial banks (10 marks)

(b) On 1st May, 2010 Musa Traders had Shs 15,000 cash in hand and shs.160450 at bank. During the month the following transactions took place.

May 2 Bought goods for Shs. 5,400 and paid by cheque.

May 8 Received sh 7,200 cash from a debtor

May 15 Paid a creditor Sh.18,300 by cheque

May 16 Paid salaries sh 4,200 in cash

May 18 Sold goods for sh. 9,200 and was paid by cheque

May 20 Withdrew sh 30,000 from bank for office use

May 25 Received sh.8,000 cash from a debtor

May 28 Paid general expenses sh.4,000 cash

May 29 Deposited sh.10,000 cash in bank

May 30 Paid for electricity sh.2,500 by cheque

Record the above transactions in a two column cash book and balance it off. (10marks)

1. (a) Explain **five** ways in which the Kenyan government can tackle the current high inflation. (10 marks)

(b) Describe **five** channels of distribution that may be followed by imported manufactured goods. (10 marks)

1. (a) Explain **five** functions of the stock exchange market. (10 marks)

(b) Give **five** differences between small scale firms and large scale firms. (10 marks)