



MASENO SCHOOL MOCK – 2022

Kenya Certificate of Secondary Education



565/2

Paper 2

BUSINESS STUDIES Sept. 2022 – 2½ Hours

Name Admission Number

Class Date Candidate's Signature.....

Instructions to candidates

- a) Write your name and Admission Number in the spaces provided above.
- b) Write your class, date of examination and sign in the spaces provided above.
- c) This paper consists of six questions.
- d) Answer any **five** questions in the spaces provided after question six.
- e) All questions carry equal marks.
- f) Non-programmable silent electronic calculators may be used.
- g) This paper consists of **16** printed pages.
- h) Candidates should check the question paper to ascertain that all pages are printed as indicated and that no questions are missing.
- i) Candidates should answer the questions in English.

For Examiner's Use Only

Question	Maximum Score	Candidates Score
	20	
	20	
	20	
	20	
	20	
	20	
	Total Score	

1. a) Highlight five functions of Commercial Banks in Kenya. (10 marks)
 b) Explain FIVE types of unemployment in the country. (10 marks)
2. a) Explain FIVE importance of Public Finance to the economy. (10 marks)
 b) Give FIVE differences between public limited company and partnership forms of business units. (10 marks)
3. a) Explain FIVE factors to be considered in evaluating a business opportunity. (10 marks)
 b) Maseno enterprises started business with Ksh 500,000 in cash on 1st December 2019
- Dec 2nd: Deposited Sh.300,000 cash into the bank
 8th: Purchases goods for resale Sh.25,000 in cash.
 11th: Took Sh.30,000 in cash for personal use.
 19th: Paid wages Sh.10,000 by cheque.
 25th: Cash sales Sh.75,000.
- Required:**
 Enter the above transactions in Maseno enterprises ledger accounts and balance them off. (10 marks)
4. a) Explain FIVE reasons why country X may have higher national income than Y (10 marks)
 b) Mary owns a supermarket in Kisumu town and wants to take insurance cover.
 Explain FIVE policy contracts that she may sign with insurance companies. (10 marks)
5. a) The following trial balance was extracted from the books of Baite traders as at 31st August 2015.



Item	Dr (Sh)	Cr (Sh)
Sales		350,000
Purchases	160,000	
Cash at bank	290,000	
Return Inwards	5,000	
Carriage Inwards	20,000	
Carriage Outwards	14,000	
Salaries & Wages	10,000	
Debtors	56,000	
Creditors		90,000
Stock	35,000	
Machinery	265,000	
Rent		25,000
Discount received		18,000
Lighting and heating	12,000	
Buildings	240,000	
Advertising	13,000	
Drawings	30,000	
Capital		667,000

Additional information

- i) Stock on 31st August 2015 was valued at sh.50, 000
 - ii) Prepare Trading, Profit and Loss account for the year ended 31st August 2015 and a balance sheet as at 31/8/2015 (12 marks)
- b) Explain FOUR indicators of under development in a country.(8 marks)
6. a) Explain FIVE negative implications of trade restrictions in foreign trade. (10 marks)
- b) Using a well labelled diagram, explain the effects of an increase in demand while supply remains constant on the equilibrium point, price and quantity. (10 marks)

A series of horizontal dotted lines spanning the width of the page, intended for writing.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing.



A series of horizontal dotted lines for writing.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing.



A series of horizontal dotted lines spanning the width of the page, intended for writing.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing, spanning the width of the page.



A series of horizontal dotted lines for writing, spanning most of the page width.



A series of 24 horizontal dotted lines for writing.

