**565/2**

**NAME: ………………………………………………………….………………………. INDEX NO: …………………………..………………………….**

**SIGNATURE: …,…………………………………………………………………… DATE : ………………………………………………………………..**

ASUMBI GIRLS HIGH SCHOOL

POST -MOCK 1

AUGUST/SEPTEMBER

2022

**AUGUST / SEPTEMBER - 2022**

**BUSINESS STUDIES**

**PAPER 2**

**TIME: 21/2 HOURS**

***Instructions to Candidates***

1. *Write your name and index number in the spaces provided above.*
2. *Sign and write the date of the examination in the spaces provided above.*
3. *This paper consists of* ***6*** *questions.*
4. *Answer ANY FIVE questions in the spaces provided*
5. *This paper consists of* ***3*** *printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing*
6. *Candidates should answer the questions in* ***English***

For Teacher’s Use Only

|  |  |  |
| --- | --- | --- |
| Question | Maximum  Score | Candidate’s  Score |
|  | 20 |  |
|  | 20 |  |
|  | 20 |  |
|  | 20 |  |
|  | 20 |  |
|  | Total Score |  |

1. a) Explain **five** methods used by central bank to increase money supply in the economy. (10mks)

b) Discuss **five** ways in which the government can reduce unemployment levels in Kenya (10mks)

2. a) Explain **five** factors that may limit the use of containers as a method of transporting goods in a developing country. (10mks)

b) The following Trial balance was extracted from the books of Kabaka traders as at

30/6/2018.

Kabaka Traders

Trials balance as at 30/6/2021

|  |  |  |
| --- | --- | --- |
| Particles | Dr | Cr |
| Sales  Purchases  Return inwards  Carriage inwards  Return outwards  Carriage outwards  Stock 1st Jul 2017  Rent  Delivery van  Bank  Creditors  Debtors  Discount allowed  General expenses  Capital | \_\_\_\_\_\_\_\_\_\_\_\_  600,000  80,000  40,000  \_\_\_\_\_\_\_\_\_\_\_\_  3,000  100,000  60,000  180,000  60,000  \_\_\_\_\_\_\_\_\_\_\_\_  120,000  80,000  18,000  \_\_\_\_\_\_\_\_\_\_\_\_  1,268,000 | 900,000  \_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_  20,000  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  170,000  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_  178,000  1,268,000 |

Stock on 30th June 2018 was valued at 135,000/=

Required:

Prepare Kabaka Traders Trading profit and loss A/c.

3 a)Explain **five** advantages of government involvement in Business. (10mks)

b) Discuss five factors that may influence entrepreneurial practices positively in the country (10mks)

1. a) Apart from selling of shares, explain **five** other sources of finance for public limited company. (10mks)

b) Explain **five** features of oligopoly. (10mks)

5 a) Muema is planning to construct a warehouse for renting. Explain **five** measures that he may take to ensure its smooth operation. (10mks)

b) Outline **five** measures that the Kenya government may take to reduce unemployment. (10mks)

6 a) Explain **five** methods used to distribute imported manufactured goods. (10mks)

b) The following transactions relates to Konate Traders for the month of December 2010.

Dec 1stStarted a business with sh. 200,000 in the Bank account.

2ndBought furniture for sh, 50,000 and paid by cheque

3rdSold goods on credit to Tilashs, 20,000; Katu 10,000

4th Bought goods on credit from Kahamash 30,000; Kanga shs. 40,000

5thReturned faulty goods to Kahamash 5,000

6thPaid Kahama on account by cheque less 10% cash discount.

7thReceived faulty goods from Katushs. 2000

8thReceived payment due from Tila and Katu by cheque less 5% cash discount.

9thCash sales shs. 100,000

10thPaid for wagesshs. 20,000 by cash and electricity shs.10,000 by cheque.

11thDeposited all the cash in hand into the bank account.

***Required:***

Prepare a three-column cash book duly balanced (10mks)