



MARANDA HIGH SCHOOL

Kenya Certificate of Secondary Education

MOCK EXAMINATIONS 2022

565/2

Business Studies
September, 2022

Paper 2

Time: 2½ Hours

Name:

Adm No:

Class:Candidate's Signature:

Date: 9th September, 2022

Time: 2.00-4.30 PM

Instruction to candidates

- ❖ Write your name and stream in the space provided above.
- ❖ This paper consists of six questions
- ❖ Answer any **five** questions of your choice in the spaces provided.
- ❖ All questions carry equal marks
- ❖ Ensure that you have 12 printed pages.
- ❖ Students should answer the questions in English only.

For examiner's use only

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

Turn over

- 1 (a). Explain **five** reasons why many people would prefer to start a partnership business. (10marks)
- (b). Explain **five** disadvantages of departmental stores. (10marks)
- 2 (a). Explain **five** problems encountered at plan implementation stage. (10marks)
- (b). Explain **five** advantages of government involvement in business. (10marks)
- 3 (a). Explain **five** characteristics of land as factor of production. (10marks)
- (b). Explain **five** factors that may lead to a country to experience unfavorable terms of trade. (10marks)
- 4 (a). Give **five** differences between open office layout and enclosed office. (10marks)
- (b). On 1 Jan 2020 Mulei traders had 180,000 cash in hand and a bank credit balance of sh. 57,500.

During the month the following transactions took place.

- 3rd cash sales sh.21, 800.
- 4th a debtor settled his account of sh.90, 000 by cheque.
- 10th paid salaries sh. 40,000 in cash.
- 12th took cash sh. 3,500 to settled a personal debt.
- 23rd received a cheque of sh.8, 460 from Nganda wholesalers after deducting 6% cash discount.
- 24th deposited sh. 10,000 in the bank from the office.
- 25th purchased stock worth sh. 8,950 on credit from Ngumo distributors.
- 26th cash sales banked directly sh. 38,000
- 29th settled creditors account sh. 6,000 by cheque less 3% cash discount.
- 31st banked all cash except sh. 40,000

Required: prepare Mulei traders 3 column cash book as at 31 Jan 2020 (10marks)

- 5 (a). Explain **five** disadvantages of newspapers advertising. (10marks)
- (b). Explain **five** factors that influences the level of national income in a country. (10marks)
- 6 (a). Explain **four** benefits of intermediaries in the distribution channel (8marks)
- (b). The information below relate to the trial balance of Songo traders as at 30 June 2017.

Songo traders
Trial balance as at 30 June 2017

Particulars	Dr shs.	Cr shs.
Stock on 30/6/2016	4,00	
Capital		13,870
Purchases and sales	3,500	7,000
Drawings	6,00	
Furniture and fittings	2,000	
Motor vehicle	15,000	
Debtors and creditors	8,00	1,200
Returns	150	2,00
Discounts	90	80
Rent		1,00
Insurance	210	
Bank		300
TOTAL	22,750	22,750

Additional information

Closing stock was valued at 500

Required:

(i). Prepare Songo trading, profit and loss account for the year ended 30/6/2017.

(ii). Balance sheet as at 30/6/2017

(12marks)