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

**CLASS: ………………………………………………. DATE: …………………..**

**BUSINESS STUDIES 565/2**

**FORM 4**

**OPENER EXAMINATION TERM 3, 2022**

**SEP/OCT 2022**

**TIME: 2 ½ HOURS**

**INSTRUCTIONS:**

**ANSWER ANY FIVE QUESTIONS**

1. Explain five advantages of an open office lay out. (10mks)

b). Explain five causes of unfavorable balance of payment for the most developing countries. (10mks)

1. With the aid of a diagram, explain the effect of an increase in supply to the equilibrium price and quantity of commodity. (10mks)

b). Explain five ways of improving the efficiency of a warehouse. (10mks)

1. The following trial balance was extracted from the books of Okumu traders as at 31/12/2015.

**DR. (shs.) CR. (shs.)**

Opening stock 30,000

Purchases/sales 275,000 390,000

Debtors 47,000

Commission 36,000

Returns 10,000 6,000

Carriage inwards 16,000

Wages 20,000

Rates 12,000

Buildings 45,000

Furniture 180,000

Bank overdraft 210,000

Insurance 22,000

Discounts 5,000 7,000

Drawings 25,000

Creditors 52,000

Cash at bank 250,000

Cash in hand 40,000

Capital 689,000

Totals 1,390,000 1,390,000

Additional information:

1. Closing stock sh. 50,000
2. Carriage outwards sh. 8,000

Required:

Prepare Okumu traders trading profit and loss account for the period ended 31/12/2015. (10mks)

b). Explain five characteristics of economic resources. (10mks)

1. Explain five benefits that consumers get from advertising. (10mks)

b). Highlight five differences between perfect competition and monopolistic competition. (10mks)

1. Explain five means of payment that a trader can use to settle business debts. (10mks)

b). Explain five problems encountered in development planning. (10mks)

1. Oyamo started a business by the name of Oyamo provision store on 1st May 2014 with sh.50,000 cash. During the first week of May, the following transactions took place:
2. Deposited sh.40,000 into a business bank account
3. Oyamo converted a table valued sh.40,000 from private use into business use
4. Borrowed sh.120,000 from community bank which was deposited into the business bank account
5. Purchased goods worth sh.60,000 on credit from Wanyoo distributers
6. Bought equipment sh.30,000 paid by cheque

Prepare the balance sheet of the business as at 7th May 2014. (10mks)

b) Explain five benefits that a savings and credit cooperative society (SACCO) provides to its members. (10mks)