**Name……………………………………….ADM NO…………Class………………………**

**565/2**

**BUSINESS STUDIES**

**Paper 2**

**September 2021**

**KASSU JET EXAMINATIONS**

**Kenya Certificate of Secondary Education**

**BUSINESS STUDIES**

2 Hours 30 Minutes.

**Instructions to Candidates**

a) This paper consists of **six** questions

b) Answer any **five** questions

c) Write your answers in the answer booklet

d) All questions carry equal marks

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

1. (a). Outline **five** factors that may lead to growth of entrepreneurship in Kenya. (10mks)

(b) . The diagram below illustrates a shift of the supply curve.

**SO**

**S1**

**Price**

**(shs)**

**SO**

**S1**

**Quantity in units**

Explain **five** factors that may bring about the above shift in supply from SoSo to S1S1.(10mks)

1. (a). Outline **five** differences between partnership and co – operative forms of business units. (10mks)

(b). Explain **five** benefits that Kenya may enjoy as a member of East African community.

(10mks)

1. (a). Explain **five** benefits of pooling of risks to an insurer. (10mks)

(b). The information below relates to Navakholo Traders. Prepare a duly balanced three column cash book . (10mks)

2020

February 1: balance b/d cash sh 40,000 and a bank overdraft of sh. 270,000

February 3: settled Beta creditors account of 80,000 by cheque, having deducted 6% cash discount.

February 7: received sh. 60,000 cash from Zoom traders.

February 15: deposited sh. 45,000 to the bank

February 20: withdraw sh. 92,000 from the bank for private use.

February 24: received sh. 199,500 from Delta by cheque after allowing 5% cash discount.

February 28: banked all the cash leaving only 15,000 in the office.

1. (a) Explain **five** measures that may be taken by the Government to solve unemployment problems. (10mks)

(b). Explain **five** factors that hinder economic development of Kenya despite the government’s spending on the planning exercise. (10mks)

1. (a). Explain **five** uses of national income statistics (10mks)

(b) . Explain **five** roles that the central bank of Kenya plays as a government’s bank. (10mks)

1. (a) Outline **five** features of hypermarkets. (10mks)

(b) The following information relates to HZ enterprises for the year ended 31/12/2021

Hz enterprises

Trial balance

As at 31/12/2021

Items Dr(sh) Cr(sh)

Premises 4,000,000

Furniture 1,500,000

Capital 4,900,000

Net profit 50,000

Stock 100,000

Debtors 200,000

Drawings 60,000

Bank loan 1,900,000

Bank 970,000

Cash 360,000

Creditors 340,000

**7,190,000 7,190,000**

**Required:** a). Hz enterprises balance sheet as at 31/12/2021 (4mks)

b).Calculate i). Capital invested (1mk)

ii). Borrowed capital (1mk)

iii). Capital employed (2mks)

iv). Working capital (2mks)