

NAME INDEX NO.
SCHOOL SIGNATURE
DATE

565/2

BUSINESS STUDIES

PAPER 2

FEB 2022

TIME: 2¹/₂ HOURS

FORM 3 EXAMINATION 2022

Kenya Certificate of Secondary Education (K.C.S.E)

INSTRUCTIONS TO CANDIDATES

- Answer any **FIVE** questions
- ALL questions carry equal marks
- This paper consists of 2 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing

FOR EXAMINER'S USE ONLY

Question No	1	2	3	4	5	6	TOTAL
Marks							

1. a). Outline five circumstances under which a business organization may choose to use written instead of verbal communication (10marks)
- b). Explain five benefits that may accrue to a community that is involved in trading activities (10marks)
2. a). Explain five drawbacks of using expenditure approach to measure a country's National income (10marks)
- b). Explain five ways in which the government can provide an enabling environment for business enterprises (10marks)
3. a). Explain five circumstance under which a direct distribution channel may be preferable (10marks)
- b). Mulei enterprises have been using radio to advertise their products instead of television. Explain five advantages they realize by using radio over use of television (10marks)
4. a). Explain five causes of business success in Kenya (10marks)
- b). Explain five importance of an effective transport system in a country (10marks)
5. a). Explain five benefits that may accrue to a business organization which expands the scale of its operations (10marks)

b). Nyundo Traders had the following assets and liabilities on 1st March, 2006

	Shs.
Capital	120,000
Machinery	80,000
Creditors	10,000
Debtors	20,000
Stock in trade	25,000
Cash at bank	5,000

On 2nd March, he had the following transactions

- i.) Purchased goods for Shs.15,000 on credit
- ii.) Received a cheque for shs.10,000 from a debtor
- iii.) Sold the machinery for Shs.90,000 in cash

Prepare his balance sheet on 2nd March, 2006

6. a). Discuss five main causes of unemployment in Kenya (10marks)
- b). The following information relates to Mutiso enterprises for the month of June 2011.

2011

June	1 st :	Credit purchases from Kalembe , Shs.38,000
June	3 rd :	Purchased goods on credit from Wetangula, Shs.60,000
June	5 th :	Returned goods to Kalembe, Shs.5,600
June	20 th :	Purchases returns to Wetangula Shs.10,000
June	30 th :	Credit purchases from Wetangula Shs.5,000

Required: Enter the above information in the relevant ledger accounts and balance them.

(10marks)