

NAME.....

DATE .....

ADM NO. ....

CANDIDATE'S SIGNATURE .....

565/2

**BUSINESS STUDIES**

**PAPER 2**

**TIME: 2 HOURS 30 MINUTES**

**LAIKIPIA EAST TERM 2 2022 FORM 4 EVALUATION EXAM**

*Kenya Certificate of Secondary Education – K.C.S.E*

**TERM 2, 2022**

*Kenya Certificate of Secondary Education*

**INSTRUCTIONS TO CANDIDATES**

**Answer any five questions in spaces provided.**

	<i>Maximum score</i>	<i>Candidates Score</i>
<b><i>Qn1</i></b>	<i>20</i>	
<b><i>Qn2</i></b>	<i>20</i>	
<b><i>Qn3</i></b>	<i>20</i>	
<b><i>Qn4</i></b>	<i>20</i>	
<b><i>Qn5</i></b>	<i>20</i>	
<b><i>Qn6</i></b>	<i>20</i>	
<b><i>Total</i></b>		

Answer any five questions.

1. a. State **five** reasons for the increased use of cell phones in banking 10mks  
b. Highlight **five** external factors that may negatively influence the operations of a business 10mrks
2. a. Highlights **five** benefits of national income statistics to the government 10mrks  
b. State **five** ways in which a warehouse is of importance to the manufacturer 10mrks
3. a. Outline **five** circumstances that would make an office managers to replace an existing machine with a modern one 10mrks  
b. Highlight **five** characteristics of monopolistic competitive market 10mrks
4. a. Outline **five** qualities of a successful sales person 10mrks  
b. Explain **five** types of direct taxes that the government may use to collect revenue from individuals and companies 10mrks
5. a. The following trial balance was extracted from the books of ojwang limited on 31<sup>st</sup> December 2020.

**Ojwang limited**  
**Trial balance**  
**As at 31<sup>st</sup> December 2020**

Details	Dr Ksh	Cr(ksh)
Capital		800,000
Stock	200,000	
Purchases	680,000	
Returns	50,000	80,000
Discount	80,000	45,000
<b>Carriage inwards</b>		42000
Debtors and creditors	200,000	105,000
sales		1200000
Motors vehicles	750,000	
Furniture & fittings	250,000	
Rent	50,000	60,000
Bank overdraft		42000
<b>Carriage outwards</b>	30,000	
<b>TOTALS</b>	2,332,000	2,332,000

Additional information closing stock was valued at Ksh80,000

- Required:** prepare a trading, profit and loss account 10mrks
- b. Outline five benefits that may be realized when two firms form a merger 10mrks
  6. a. Outline five major circumstances under which a cheque may be dishonoured 10mrks

b. The following transactions took placed during the month of April 2021 in Toyota traders April

1<sup>st</sup> started business worth Ksh150,000 deposited into the bank account

2<sup>nd</sup> Bought machine worth Ksh8,000 and paid by cheque.

8<sup>th</sup> Received Ksh6,500 from Karis who owed Ksh 7,000 in full settlement of the account.  
12<sup>th</sup> withdraw Ksh20,000 of which 15,000 was for office use and the rest was to pay for his sons medical bill.  
15<sup>th</sup> paid Ochieng traders account in cash of Ksh 10,000 at a10% cash discount.  
25<sup>th</sup> he bought equipment for 18,000 and paid by cheque.  
26<sup>th</sup> he made cash sales paid directly to the bank account worth 15,000.  
26<sup>th</sup> made credit sales amounting Ksh 7,500.  
27<sup>th</sup> paid Okorigo a creditor in cash Ksh 3,200 in full settlement of his account of Ksh 3,500.  
30<sup>th</sup> Banked all the money except Ksh2,000.

### **Required**

Enter the above transactions in relevant cash book and balance it off

10mrks