

**FOR MARKING SCHEMES INBOX 0724351706**

Name.....Adm no.....

School.....Stream.....

565/1

## Business studies

## Paper 1

AUGUST/SEPTEMBER 2021

Time: 2 hours

## BUNYORE-MARANDA JOINT EXAMINATION

Kenya certificate of secondary education (K.C.S.E)

Instructions to candidates:

Write your name and admission number in the spaces provided

Answer all the questions in the spaces provided

For examiners use only:

[illegible][illegible]

1. State four ways in which knowledge of business studies would benefit a secondary school leaver. (4 marks)

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2. Identify any four characteristics of economic resources (4 marks)

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3. Highlight four disadvantages of multiple stores (4 marks)

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4. Name four roles of central bank of Kenya in an economy (4 marks)

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5. State four limitations of delocalization of firms (4 marks)

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6. Identify four features of capital as a factor of production (4 marks)

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7. State four importance of development planning. (4 marks)

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8. Highlight four demerits of government involvement in business activities (4 marks)

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9. Highlight four causes of a shift of demand curve to the left (4 marks)

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10. Give four disadvantages of using the website in a business organization (4 marks)

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11. Give four assumptions of circular flow of income in a two sector economy (4 marks)

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12. Outline four circumstances under which an insurance company may re-insure (4 marks)

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13. Give the meaning of the following abbreviations as used in business studies. (4 marks)

(i) F.O.R.....  
(ii) O.N.O.....  
(iii) C.O.D.....  
(iv) C.I.F.....

14. State four positive implication of large population in a country (1 mark)

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15. State four roles of stock exchange as a market for securities (4 marks)

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16. Outline four merits of indirect tax (4 marks)

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17. State four challenges that may be faced by a person who communicates using a mobile phone. (4 marks)

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18. The following information was extracted from the books of down traders 31/1/2011.

	Shs.
Purchases	300,000
Rent	418,000
Opening stock	25,000
Sales	568,000
Closing stock	125,000
Bank overdraft	430,000

Required to prepare trading profit and loss account for the month ended 31/1/2011

(4 marks)

19. State four characteristics of a good entrepreneur (4 marks)

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20. Keenly study the balance sheet of Smart traders which has been wrongly drawn, prepare a correct one. (4 marks)

Smart traders  
Balance sheet  
As at 31/08/2009

Assets	shs.	Liabilities	shs.
Stock	80000	Bank overdraft	80000
Creditors	50000	Debtors	35000
Long term loan	65000	Land	120000
Capital	130000	Furniture	75000
		Cash	15000
			<b>325000</b>
	<b>325000</b>		

21. Outline four principles of cooperative societies (4 marks)

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22. State four errors that cannot be revealed by a trail balance. (4 marks)

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23. Outline four differences between a whole life policy and endowment policy (4 marks)

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24. State the effect of each of the following transactions on the balance sheet by writing increase or decrease or no effect in each case. (4 marks)

Transaction	effect
a) Bought machinery on credit	.....
b) Withdrew cash from the business for personal use	.....
c) Purchased stock in cash	.....
d) Paid outstanding loan by cheque	.....

25. On May 26, 2000 Owino had sh.15000 in hand and a bank overdraft of sh.25000. During the month of the following transactions took place.

May 2 cash sales banked sj.40360

4. Bought stationery in cash 2400

6. Received a cheque of sh.97800 from Omoyo after allowing him a cash discount of sh.2200

9. Paid Watonga a creditor sh.65800 by cheque after deducting 6% cash discount

15. Paid wages sh.8000 in cash

18. James a debtor settled his account of sh.75000 by cheque less 10% cash discount

25. Withdrew sh.30000 from bank for office use

28. Cash purchases sh.10000

31. Withdrew sh.7000 from bank for private use

Required: prepare a three column cash book and balance off (4 marks)

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565/2

BUSINESS STUDIES

PAPER 2

AUGUST/SEPTEMBER 2021

TIME: 2 ½ HOURS

**BUNYORE-MARANDA PRE MOCK EXAMINATION**

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

Business Studies

Paper 2

2 ½ hours

**INSTRUCTIONS TO CANDIDATES**

- This paper consists of six questions
- Answer any five questions
- Write your answers in the answer booklet provided
- All questions carry equal marks

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1.
  - (a) Explain any five features of a good filing system. (10 marks)
  - (b) Explain five reasons why citizens may experience low standards of living despite improvement in the per capita income. (10 marks)
2.
  - (a) Outline five differences between ordinary shares and debentures. (10 marks)
  - (b) The following trial balance was extracted from the books of Okumu traders as at 31/12/2012.

	Dr(shs)	Cr(sh)
Opening stock	30000	
Purchases/sales	275000	390000
Debtors	47000	
Commission received		36000
Returns	10000	6000
Carriage inwards	16000	
Bad debts	3000	
Wages	20000	
Rates	12000	
Buildings	450000	
Furniture	180000	
Bank overdraft		210000
Insurance	19000	
Discounts	5000	7000
Drawings	25000	
Creditors		52000
Cash at bank	250000	
Cash at hand	40000	
Capital		689000
	1390000	1390000

Additional information:

1. Closing stock sh.50000
2. Carriage outwards sh.8000

Required:

- (i) Prepare Okumu traders trading, profit and loss account for the period ended 31/12/2012
  - (ii) Balance sheet as at 31/12/2012. (10 marks)
3.
  - (a) Explain five advantages accruing to a country that have joined an economic block. (10 marks)
  - (b) Explain negative effects of any five macro environmental factors on a business. (10 marks)
4.
  - (a) State and explain five services offered by wholesalers to retailers. (10 marks)
  - (b) Record the following transactions in the relevant ledger accounts, balance the account and extract a trial balance. (12 marks)

Date transaction

1/4/2012 Mary started business with shs.80,000 cash

2/4/2012 Bought stationery for shs.4,000 and paid in cash

3/4/2012 Opened a bank account and deposited shs.50,000 from the cash till

4/4/2012 Bought motor vehicle worth shs.250,000 from Lucy motors on credit

5/4/2012 Bought postage stamps for shs.60 in cash
5.
  - (a) Discuss five ways of improving the efficiency of a warehouse. (10 marks)
  - (b) Highlight five methods that can be used to determine the size of the firm (10 marks)
6.
  - (a) Explain five monetary policies that the Kenyan government uses to control the supply of money in an economy. (10 marks)
  - (b) Explain five principles of insurance (10 marks)