565/2

**BUSINESS STUDIES**

PAPER 2

JULY, 2024

TIME: 2 ½ HOURS

**MOKASA II JOINT EXAMINATION**

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

565/2

Business Studies

Paper 2

***Instructions for candidates:***

* *This paper consists of* ***six*** *questions*
* *Answer any* ***five*** *questions.*
* *Write your answers in the answer booklet provided.*
* *All questions carry equal marks.*
* *Candidates should check the questions paper to ascertain that all pages are printed as indicated and that no questions are missing.*

**For Examiners Use Only**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 | 6 |
| a) |  |  |  |  |  |  |
| b) |  |  |  |  |  |  |

TOTAL SCORE

1. (a) Explain **five** documents used in home trade that are sent by the seller to the buyer

(10 marks)

(b) Wamae enterprise runs a general merchandise business. The transactions during the month of august 2023 were as follows:

**2023**

August 1: The business bought goods worth sh. 80,000 on credit from silver stores.

August 4: Sold goods on credit to Nandi traders sh. 60,000.

August 8: Sent Nandi traders a credit note for goods returned. Which was valued at sh.27,000.

August 10: Sold goods on credit to Otieno sh. 60,000.

August 12: Purchased goods from Nandwa Ltd for sh. 120,000 on credit.

August 15: Purchased goods on credit from Njeri for sh. 30,000.

August 16: Sent Otieno a credit note for goods returned worth sh. 6,000.

August 18: Nandwa ltd sent us a credit note for sh. 30,000.

August 19: received a credit note from silver store worth sh. 20,000

**Required:**

Prepare the relevant journals to record the above transactions (10 marks)

1. (a) Explain **five** factors that a school Principal would consider when choosing a means of communication to invite parents for an academic day. (10marks)

(b) Outline **five** uses of national income statistics in an economy. (10 marks)

1. (a) Other than the forces of demand and supply explain other **five** ways in which prices of products can be determined in a market. (10 marks)

(b) Explain **five** benefits of economic integration to a country (10 marks)

1. (a) Explain **five** factors to consider when determining the location of a firm (10marks)

(b) Outline **five** differences between a commercial bank and non-bank financial institutions. (10 marks)

1. (a) Explain **Five** Factors that can lead to the success of a Business. (10 Marks)

(b) Explain **five** measures that can be used to control demand pull inflation . (10 marks)

1. (a) Explain **four** circumstances that may lead to dissolution of a public limited company.

(8 marks)

(b) The following balances were extracted from the books of Koilegen Traders on 1st October 2022. (12 marks)

Sh.

Capital 4,200,000

Creditors 1,330,000

Motor Van 1, 800,000

Furniture 1,500,000

Stock 500,000

Debtors 780,000

Cash 40,000

Bank 2,000,000

ABSA bank loan 1,090,000

The following transactions took place in the month of October 2022.

1. Sold some furniture Sh. 710,000 for which Sh. 440,000 cash was received and the balance was to be paid later.
2. Bought goods Sh. 950,000 and paid Sh. 620,000 by cheque and the balance was to be paid later.
3. The proprietor took Sh. 120,000 cash to pay his child school fees.
4. Sold goods worth Sh. 1,100,000 for Sh. 1,900,000 by cheque.

**Required:**

Draw Koilegen Traders balance sheet as at 31st October 2022 and show the items in the relevant classes.