22. Outline four functions of World Bank. **(4 mks)**

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23. Highlight four benefits of national income statistics to the government. **(4 mks)**

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24. State four basic features of a market. **(4 mks)**

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25. The following is a format of the debit side of a three column cashbook.

Dr

Date		V	W	X	Y

Name the columns labeled; V, W, X and Y. **(4 mks)**

V –

W –

X –

Y -

MANGU MOCK TRIAL 3

BUSINESS STUDIES

565/2

PAPER 2

TIME: 2½ HOURS

NAME………………………………………………………………………………………

SCHOOL……………………………………………………   SIGN………………………

INDEX NO………………………………………………… ADM NO………………………

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

a) Write your name and index number in the spaces provided above.
b) Sign and write the date of the examination in the spaces provided above.
c) This paper consists of 6 questions.
d) Answer any **five** questions in the spaces provided.
e) All questions carry equal marks
f) Non –programmable silent electronic calculator may be used.
g) Candidates must answer the questions in English.

FOR EXAMINER'S USE ONLY

Question	Maximum score	Candidate's score
	20	
	20	
	20	
	20	
	20	
TOTAL		

QUESTIONS

1) (a) Explain five factors that promote entrepreneurship in Kenya,   **(10mks)**

   (b) Explain five principles that would lead to effective use of government resources. **(10mks**

2) (a) There has been a decline in the demand for wooden furniture, Explain five factors that

   may have caused this trend.   **(10mks)**

3) (b) Explain five differences between a sole proprietorship and a public limited company.

                                                                                        (10mks)

4) The following information relates to Bahati enterprises.

Details	shs
Stock 1st January 2024	430,000
Purchases	930,000
Sales	1,155,000
Carriage outwards	25,000
Carriage inwards	10,000
Returns outwards	20,000
Returns inwards	30,000
General expenses	100,000
Insurance	25,000
Stock 31st Dec 2024	470,000

   Calculate:

   Turn over   **(1mk)**

   Rate of stock turn over   **(3mks)**

   Mark up   **(2mks)**

   Margin   **(2mks)**

   Net profit   **(2mks)**

   b) Outline five benefits of a business to the society.   **(10mks)**

   (a) Describe five accounting documents used in home trade   **(10mks)**

   (b) Using a diagram explain the circular flow of income in a two sector economy.**10mks)**

5) (a) Explain five trends in office management. **(10mks)**

  (b) Explain five circumstances under which a producer may sell goods directly to the consumer. **(10mks)**

6) On 1st September 2015 Gondi had sh 55,000 in hand and 250,000 at bank, during the month the following transactions took place.

September 2: Cash sales banked sh 35,260

3 September: Bought ribbons in cash sh 4,500

8 September: Paid Wangala a creditor 94,000 by Cheque in full settlement of his account after deducting 6% cash discount.

12 September: Received a cheque of shs 58800 from Wetu after allowing her a cash discount of shs 1,200

15 September: paid salaries sh 34,000 cash

28 September: Anyango a debtor paid her account of 75000 by cheque less 10% cash discount.

30 September deposited all the cash into the bank except.

Required. Prepare a three column cash book and balance it off **(10mks)**

Explain five merits of direct taxes to the government **(10mks)**