



**GOLDLITE ONLINE SUPPLIES**



**KCSE NATIONAL SCHOOLS TRIALS AND JOINT SERIES 2025**

## **BUSINESS STUDIES PAPER 2**

**KABARAK HIGH  
ALLIANCE BOYS  
ALLIANCE GIRLS  
ASUMBI GIRLS  
KISII SCHOOL  
KENYA HIGH  
MANGU SCHOOL  
MARANDA SCHOOL  
MASENO SCHOOL  
MERU SCHOOL  
MOKASA JOINT 1  
STAREHE GIRLS  
STAREHE BOYS  
LENANA SCHOOL  
MOI GIRLS ELDORET  
NAIROBI SCHOOL  
FRIENDS SCHOOL KAMUSINGA**

**Compiled and distributed by Goldlite Online  
Supplies. For these and more inbox/text /  
WhatsApp 0724351706/0726960003. Marking  
schemes are available. Inbox now**

*These exams have been compiled from recently done  
national schools' trials and joint series*

***KNEC COMPLIANT***

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature..... Date.....

---

**KABARAK HIGH SCHOOL EXAMINATION**

*Kenya Certificate of Secondary Education*

**BUSINESS STUDIES**

**PAPER 2**

2 Hours 30 Minutes.

**Instructions to Candidates**

- a) This paper consists of **six** questions
- b) Answer any **five** questions
- c) Write your answers in the answer booklet
- d) All questions carry equal marks

QUESTION	1	2	3	4	5	6	TOTAL
MARKS SCORE							

1. a) Riziki, a college graduate, intends to start a poultry keeping business. Explain **five** reasons why you will advise her to prepare a business plan. (10 marks)  
 b) The level of the national income of country X has been increasing over years. Explain **five** factors that are contributing to the increase in the level of the income of this country. (10 marks)
2. a) Mutai is a dairy farmer in Nyandarua county. He wishes to transport the milk to his consumers in Nairobi. Explain **five** factors to consider when choosing a means of transport. (10 marks)  
 b) Explain **five** factors that may lead to the increase in the supply of a commodity (10 marks)
3. a) Describe **five** types of large scale retailers (10 marks)  
 b) On 1<sup>st</sup> January 2022, Twende Traders had shs. 50,000 cash in hand and a bank overdraft of shs. 30,000.  
 During the month, the following transactions took place;  
 2<sup>nd</sup> January. Made cash sales of shs. 400,000  
 5<sup>th</sup> January. Received a cheque of shs. 450,000 from Juma Traders in full settlement of their debt after allowing a 10% cash discount  
 7<sup>th</sup> January. Paid rent in cash shs. 20,000  
 12<sup>th</sup> January. Took cash shs. 40,000 to pay son`s school fees  
 14<sup>th</sup> January. Deposited shs.20, 000 from the cash till in the business bank account  
 17<sup>th</sup> January. Bought goods on credit from Pendo traders worth shs, 50,000  
 20<sup>th</sup> January. The cheque received on 5<sup>th</sup> January was dishonoured  
 23<sup>rd</sup> January. Sold goods in cash shs. 50,000  
 25<sup>th</sup> January. Settled kiptoo`s account of shs. 200,000 by cash less 3% cash discount  
 28<sup>th</sup> January. Cash sales directly banked shs. 39,000  
 30<sup>th</sup> January. Paid charity traders shs. 124,000 in cash after deducting a cash discount of shs. 6,000  
 31<sup>st</sup> January. Deposited all cash into the bank account except shs. 2,000  
**Required:**  
 Prepare a three-column cashbook (10 marks)
4. a) Explain **five** roles of the Nairobi Stock Exchange Market. (10 marks)  
 b) The population growth rate of China has been declining over the years. Explain **five** benefits of such occurrence to the country (10 marks)
5. a) Explain **five** government initiated methods of consumer protection (10 marks)  
 b) Explain **five** differences between perfect competition market structure and monopoly market structure (10 marks)

6. a) Mr. Kibet intends to take a life assurance policy with Britam Insurance Company. Explain **four** life assurance policies that he is likely to take. (8 marks)
- b) The trial balance below was extracted from the books of XYZ Traders as at 31<sup>st</sup> December 2024

XYZ TRADERS  
TRIAL BALANCE  
AS AT 31<sup>ST</sup> DEC 2024

Details	Dr Ksh.	Cr. Ksh.
Stock on 1/1/2024	180,000	
Debtors & creditors	195,000	120,000
Discounts	75,000	96,000
Purchases & Sales	1,200,000	1,740,000
Premises	1,630,000	
Carriage outwards	24,000	
Returns	60,000	150,000
Fixtures & Fittings	300,000	
Carriage inwards	100,000	
Machinery	600,000	
Commissions	48,000	42,000
Capital		2,454,000
KCB Loan		210,000
Wages & Salaries	90,000	
Cash in Bank	420,000	
Rent		110,000
	<u>4,922,000</u>	<u>4,922,000</u>

Stock 31<sup>st</sup> December 2024 ksh. 210,000

**Required**

- a. Prepare a trading, profit and loss account for the year ended 31/12/2024 (8 marks)
- b. Prepare XYZ Balance sheet as at 31/12/2024. (4 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....

Candidate's Signature.....Date.....

---

**FRIENDS SCHOOL KAMUSINGA**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003

EMAIL: Goldlitepublishers@gmail.com

1. a) Explain five indicators of a high population growth. (10mks)  
b) Explain the factors that can hinder effective communication. (10mks)
2. a) Menengai Manufacturers who have been producing product X stopped its production and instead embarked on the production of another product. Explain five factors that may have led to this decision. (10mks)  
b) Situma intends to invest money he has acquired from a bank in form of loan into a retail business. Explain five factors that he should considered before implementing his decisions. (10mks)
3. a) Describe five channels that can be used to distribute locally manufactured goods. (8mks)  
b) The following trial balance was extracted from the books of Rafiki Traders for the year ended 31/12/2019.

Rafiki Traders	
Trial Balance	
As at 31 <sup>st</sup> Dec 2019	
Dr (sh)	Cr (sh)
Capital	270,000
Drawings	30,000
Opening stock	50,000
Purchases	255,000
Sales	400,000
Returns	4,000
Carriage inwards	28,000
Carriage outwards	8,000
Discount	12,000
Insurance	25,000
Commission	3,000
Rent	18,000
Furniture	50,000
Land	155,000
Premises	110,000
Debtors	40, 0000
Creditors	<u>70,000</u>
	<u>770,000</u>

Closing stock was valued at shs. 58,000.

Required ;

- i) Prepare a trading and profit and losses a/c for the year ended 31<sup>st</sup> Dec, 2019. (10mks)
- ii) Calculate ;
  - a) Mark up (1mk)
  - b) Rate of stock turn over. (1mk)
4. a) On 1<sup>st</sup> January 2018 Mambo Traders had sh 90,000 cash in hand and a bank credit balance of 124,000. During the month, the following transactions took place.  
2018  
Jan 2 Cash sale sh 189,000  
“ 4 A debtor settled his account of sh 7,000 by cheque less 5% cash discount.

- “ 12 Paid salaries sh 50,000 in cash.
- “ 16 Settled a creditors account of sh 86,000 by cheque less 2% cash discount.
- “ 23 Deposited sh 120,000 into bank from office cash.
- “ 26 Cash sales banked directly shs 350,000.
- “ 27 A cheque received on 4<sup>th</sup> January from a debtor was dishonoured.
- “ 31 Banked all cash except sh 40,000.

Prepare a three column cash book dully balanced.

(10mks)

- b) With the aid of a diagram, explain how equilibrium price and quantity are established in a free market.(10mks)
- 5 a) Safaricom ltd intends to prepare its products by encouraging a price-winning competition through the media.  
Prices can be won through buying of products. Explain five benefits that that the company would get by using this method of sales promotion. (10mks)
- b) Discuss four functions of money. (10mks)
6. a) Explain five ways in which inflation may be found to be useful in an economy. (10mks)
- b). Explain five activities that may be carried out in the process of distribution of goods. (10mks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**LENANA SCHOOL TRIAL MOCKS**

**565/2**  
**BUSINESS STUDIES**  
**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**  
WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com



- 1
  - (a) Discuss **five** ways of improving the efficiency of a warehouse (10 marks)
  - (b) Outline **five** differences between direct production and indirect production (10 marks)
- 2
  - (a) Discuss **five** characteristics of a good tax system (10 marks)
  - (b) Entrepreneurship is becoming the driving force behind most economies in the world and most governments support it. Explain why entrepreneurship is important to these economies (10 marks)

- 3 (a) The following information relates to Odongo Traders for the year ended 31.Dec. 2008

<u>Details</u>	<u>Shs</u>
Land	50,000
Capital	94,000
Machinery	20,000
Motor vehicles	30,000
10 year bank loan	20,000
5 year AFC loan	10,000
Stock	10,000
Debtors	6,000
Creditors	6,000
Accrued expenses	2,000
Cash at bank	10,000
Cash in hand	2,000
Drawings	4,000

**Required:**

- i) A balance sheet as at 31<sup>st</sup> Dec. 2008 (7 marks)
  - ii) Calculate (a) Borrowed capital (1 mark)
  - (b) Current ratio (1 mark)
  - (c) Capital owned (1 mark)
- (b) Explain **five** circumstances under which personal selling would be the most appropriate method of promoting a product (10 marks)
- 4
  - (a) The gap between the rich and the poor is so wide In Kenya. Highlight **five** factors that contribute to this disparity in income distribution (10 marks)
  - (b) Explain **five** principles of insurance (10 marks)

- 5 (a) Explain **five** characteristics of money as a medium of exchange (10 marks)
- (b) Explain **five** documents sent by the buyer to the seller in Home trade (10 marks)
- 6 (a) Explain **five** measures that Kenya Government should adopt to solve the widespread cases of unemployment (10 marks)
- (b) The following transactions were done in the month of January 2020.
- January 3: Bought goods worth shs 60000 by cheque
- January 10: Sold goods worth shs 35000 cash
- January 14: Bought goods worth shs 90000 cash from Odera
- January 18: Paid wages shs 18000by cash
- January 20: Withdrew shs 40000 from bank for office use.
- Required: Record the above transactions in the relevant ledger account, balance them off and extract a trial balance (10 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**MARANDA SCHOOL TRIAL SERIES**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1 a) Explain five ways in which an entrepreneur contributes to production of goods and services. (10 marks)

- b) Using a well labelled diagram, explain the circular flow of income in a two sector economy. (10 marks)
- 2 a) Explain five demerits that may befall a business that uses poor technology. (10 marks)
- b) Explain five ways in which the consumer may benefit from warehousing. (10 marks)
- 3 a) From the trial balance given below, prepare a trading, profit and loss account for the year ended 31<sup>st</sup> August 2021. (10 marks)

Merchants Wholesalers

Trial Balance

As at 31st August 2021

Details	Debit (sh)	Credit (sh)
Purchases/ sales	349,000	582,000
Debtors/ creditors	51,000	62,000
Motor vehicle	600,000	
Drawings	30,000	
Returns	22,000	19,000
Carriage in	10,000	
KCB Loan		170,000
Furniture and fittings	45,000	
Discounts	25,000	36,000
Opening stock	40,000	
Carriage outwards	7,000	
Rent		24,000
Advertising	13,000	
Land and buildings	500,000	
Daima Bank Loan		210,000
Interests on loans	48,000	
Cash at bank	150,000	
Cash in hand	28,000	
Capital		815,000
	1,918,000	1,918,000

**Additional information:**

Closing stock 80,000

- b) A school leaver plans to start a retail business. Explain five types of small scale retail shops the person may start (10 marks)
- 4 a) Explain five reasons why small firms outnumber large firms in Kenya. (10 marks)
- b) Explain five characteristics of property insurance. (10 marks)
- 5 a) Outline five benefits that Kenya will get by making pipeline extensions throughout the country for transporting oil products. (10 marks)
- b) Describe five channels of distributing locally manufactured goods. (10 marks)
- 6 a) Apart from selling shares, explain five sources of capital for a public limited company. (10 marks)

b) Record the following transactions in Kamene's three column cash book and balance it off on 30<sup>th</sup> September 2020.

September 1: Started business with 10,000 in cash and 5,000 in the business bank account.

September 6: Bought goods for sh 2,000 in cash.

September 8: Paid creditor, Salome, a debt of sh 10,000 by cheque, less 10% cash discount.

September 12: Sold goods for sh 5,000, receiving payment by cheque.

September 18: Deposited sh 2,000 into the business bank account from the cash box.

September 21: Withdrew sh 1,000 from the bank account for personal use.

September 26: Received sh 5,000 from a debtor, Adaji in cash after having deducted a 5 % cash discount.

September 30: Paid wages amounting to sh 1,000 by cheque.

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**MASENO SCHOOL TRIAL PREMOCK**

**565/2**  
**BUSINESS STUDIES**  
**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**  
WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. (a) Maragi wholesalers intend to construct a warehouse Explain five measures that Maragi wholesalers should take to ensure smooth functioning of the warehouse.(10mks)  
(b) Explain five factors that have contributed to a high birth rate in developing countries like Kenya.(10mks)
2. (a) Explain five characteristics of land as a factor of production.(10mks)  
(b) Explain five ways of making face to face communication effective.(10mks)
3. (a) The following trial balance was prepared by Jane rose traders on 31<sup>st</sup> December 2020.

Details	Debit(sh)	Credit(sh)
Premises	850,000	
Debtors	650,500	
Creditors		720,000
Motor vehicle	800,000	
Equipment	550,500	
Gross profit		1,960,200
Furniture	350,000	
Stock on 31/12/2020	75,000	
Bank	200,000	
Cash in hand	50,000	
General expenses	117,800	
Discount received		68,100
Commission allowed	12,400	
Insurance	7,500	
Lighting	4,600	
Salaries	80,000	
capital		1,000,000
	<u>3,748,300</u>	<u>3,748,300</u>

Using the information above to prepare :

- (i) A profit and loss account for the year ended 31<sup>st</sup> December 2020.(5mks)
- (ii) A balance sheet as at 31<sup>st</sup> December 2020.(7mks)
- (b) Explain four reasons why people get involved in business activities.(8mks)
4. (a) Outline five differences between perfect competition and monopoly market structures.(10mks)  
(b) Explain five types of money transfer services that are offered by commercial banks.(10mks)
5. (a) With aid of a well labeled diagram ,explain the effect on the equilibrium price and equilibrium quantity when supply of maize increases and demand remains constant.(10mks)  
(b) Savannah life wholesalers deals in different types of cereals.they buy cereals from different farmers,store them and prepare them for sale .Explain five methods they can use to prepare the cereals for sale.(10mks)
6. (a) On 1<sup>st</sup> December 2024 kamau had ksh 55,000 in hand and ksh 250,000 in bank.During the month the following transactions took place;  
December 2: Cash sales banked at ksh 35,260.

December 3: Bought stationary in cash ksh 4,500.

December 8: Paid Odongo a creditor at ksh 94,000 by cheque in full settlement of his account after deduction of 6% cash discount.

December 12: Received a cheque for ksh 58,800 from wafula after allowing him a cash discount of ksh 1,200.

December 15: Paid salaries ksh 34,000 in cash.

December 25: Withdrew ksh 50,000 from bank for office use.

December 28: Anyango a debtor paid her account of ksh 75,000 by cheque less 10% cash discount.

December 30: Deposited all the cash into the bank except ksh 13,700.

**Required .**

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

(b) Explain five importance of insurance to the economy of Kenya.(10mks)



# GOLDLITE ONLINE SUPPLIES

*Kenya Certificate of Secondary Education*

## KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

---

Name ..... Admission number .....

Candidate's Signature.....Date.....

---

### PANGANI GIRLS HIGH SCHOOL TRIAL 1

#### BUSINESS STUDIES

#### PAPER 2

##### Instructions to candidates

- a) Write your name and index number in the space provided above.
- b) Sign and write the date of the examination in the space provided above.
- c) The paper consists of **six** questions.
- d) Answer any **five** questions in the booklet provided.
- e) All questions carry equal marks.
- f) Non programmable silent calculator may be used.
- g) Candidate should answer the questions in **English**.

##### For examiner's use only

Question	Maximum Score	Candidate Score
Total score		

**CONTACT US ON 0724351706/0726960003**

**FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES**

1.a) Explain five characteristics of good money (10 marks)

b) Explain five ways in which employees may contribute to the success of a business (10 marks)

2 a) Explain five advantages of locating firms in different parts of the country (10 marks)

b) The following information was extracted from the books of Wabibi traders :

➤ Details	kshs
➤ Stock 1 <sup>st</sup> January 2013	430000
➤ Purchases	930000
➤ Sales	1155000
➤ Carriage outwards	25000
➤ Carriage inwards	10000
➤ Return outwards	20000
➤ Return inwards	30000
➤ General expenses	100000
➤ Insurance	25000
➤ Stock 31 <sup>st</sup> December 2013	470000
➤ Calculate	
i. Turnover	(1 mark)
ii. Rate of stock turnover	(3 marks)
iii. Mark up	(2 marks)
iv. Margin	(2 marks)
v. Net profit	(2 marks)

3 a) Explain five circumstances under which a partnership may be dissolved (10 marks)

b) Explain five circumstances under which a firm may acquire monopoly power (10 marks)

4 a) The following opening balances were extracted from the books of mikinduri traders on 1<sup>st</sup> July 2016.

<b>Details</b>	<b>kshs</b>
Furniture	56000
Capital	80000
Creditors	20000
Debtors	25000
Bank	11000
Cash	8000

The following transactions took place in the course of the month

- ✓ Paid a creditor ksh 5000 in cash
- ✓ Took ksh 6000 from the bank for family use
- ✓ Bought stock for ksh 18600 on credit
- ✓ Received ksh 5000 in cash from a debtor
- ✓ Converted a family chair worth ksh 4000 for business use.
- ✓ Took a loan of ksh 20000 that was deposited in the bank account

Prepare the business balance sheet at the end of July 2016

4 b) Explain five characteristics of property insurance (10 marks)

5a) Explain five benefits to a community involved in business activities (10 marks)

b) Explain five factors that should be considered when choosing a method of promoting a product (10 marks)

6 a) Explain five accounting documents that are used in home trade (10 marks)

b) With the aid of a diagram, explain the effect of an increase in supply of a commodity while its demand remains constant (10 marks)

**CONTACT US ON 0724351706/0726960003**

**FOR MORE PAPERS FOR ALL SUBJECTS AND MARKING SCHEMES**

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature..... Date.....

---

**ALLIANCE BOYS HIGH SCHOOL**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. (a) Explain five reasons why people prefer to start a partnership business. (10 marks)  
(b) Explain the importance of business studies to the society. (10 marks)
2. (a) Illustrate using a diagram the circular flow of income in a two-sector economy and give three assumptions (10 marks)  
(b) Explain five distinguishing features between a current account and a savings account (10 marks)
3. (a) Explain five reasons why hypermarkets are becoming popular in Kenya today (10 marks)  
(b) On 1<sup>st</sup> May, 2023, Kihenjo Limited had cash in hand sh. 178,000 and a bank overdraft of sh. 23,400. During the month, the following transactions took place.

**2023**

- May 3: Cash sales sh. 16,500 paid direct to the bank  
 4: Bought goods for sh. 15,000 and paid by cheque  
 6: Cash sales sh.50, 000  
 9: Received a cheque sh. 76,500 from Mwikali  
 12: Bought goods sh.10, 000 on credit from Juma  
 13: Paid insurance premium sh.16, 000 in cash  
 14: Paid Otieno by cheque sh. 9, 700 in full settlement of his account having deducted a 3% cash discount  
 16: The owner took sh. 1,000 cash from the business to pay hospital bill for spouse  
 20: Withdrew sh. 30, 000 for office use.  
 23: Received a cheque of sh. 23, 750 from Kim in full settlement of his account less 5% cash discount  
 25: Paid wages of shs. 20, 000 cash  
 26: The cheque received from Kim was dishonoured  
 30: Banked all the cash except sh. 3, 000

**Required:** A duly balanced three-column cash book (10 marks)

4. (a) Describe five channels that can be used when exporting Agricultural products. (10 marks)  
(b) Explain any five circumstances under which a business may prefer open office layout (10 marks)
5. (a) Describe the procedure of making an insurance claim. (10 marks)  
(b) Kenya has been experiencing a challenge of unemployment. Explain five measures that the government has taken in her effort to curb the unemployment problem. (10 marks)
6. (a) Ouma is a businessman who is intending to increase his volume of sales through promoting his products. State and explain any four factors that he must put into consideration before deciding on the method that he should use. (8 marks)  
(b) The following trial balance relates to Uchumi Traders as at 31<sup>st</sup> December, 2022.

Uchumi Traders  
Trial Balance  
As at 31<sup>st</sup> December, 2022

Particulars	Dr. (Shs)	Cr. (Shs)
Stock on 1 <sup>st</sup> Jan. 2022	60,000	
Purchases and Sales	400, 000	580, 000
Returns	20, 000	50,000
Debtors and creditors	65, 000	40,000
Premises	540, 000	
Machinery	200, 000	
Fixtures and fittings	100, 000	
Carriage outwards	8,000	
Wages and salaries	30,000	
Discounts	25,000	32, 000
Commissions	16, 000	14, 000
Cash in hand	70,000	
Capital		818, 000
	1, 534,000	1,534,000

Additional Information: Closing stock was valued at sh. 70, 000

Required:

- (i) Trading profit and loss account for the period ended 31<sup>st</sup> December, 2022  
(8 marks)
- (ii) Balance sheet as at 31<sup>st</sup> December, 2022  
(4 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**ALLIANCE GIRLS' HIGH SCHOOL**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

**\_This paper consists of Six questions answer only FIVE Questions.**

1. (a) Explain **FIVE** importance of a business plan to an entrepreneur. (10mks)  
 (b) Explain **FIVE** sources of monopoly power. (10mks)
  
2. (a) Explain **FIVE** measures to undertake in order to increase efficiency of warehouse. (10mks)  
 (b) Explain **five** limitations of barter trade that led to the evolution of money. (10mks)  
 (10mks)
  
3. (a) Explain **FIVE** reasons why Omwami would choose to start as sole proprietorship other than joining a Public Limited Company. (10mks)  
 (b) Optimist Investment operates a wholesale business and the following information relates to various transactions during the month of Jan, 2023.  
 Jan 3 sold goods on credit to Anyimba sh 60,000  
 8 purchased goods on credit from Mjuaji stores sh 120,000  
 12 returned goods bought on credit from Mjuaji stores sh 6,000  
 16 purchased goods on credit from Mjuaji stores sh 160, 000  
 22 sold goods on credit to Mafala retailers sh 150,000  
 23 bought a new motor vehicle from Mashariki motors worth sh 3,200,000 on credit  
 24 Anyimba returned goods worth sh 10,000 to the business  
 29 sold equipment worth sh 840,000 on credit to Chap Chap limited.  
 Record these transactions into Optimist investment books of original entry. (10mks)  
 (10mks)
  
4. (a) Explain five advantages of using direct taxes to collect revenue in a country. (10mks)  
 (b) Explain five importance of filing documents in an organization. (10mks)
  
5. (a) Explain **FIVE** reasons for the existence of small firms despite competition from large scale firms  
 b) Describe the procedure of obtaining an insurance claim. (10mks)
  
6. a) Explain **FIVE** ways in which the government may positively influence that attract business activities to a given area. (10mks)

b). The following trial balance was extracted from books of A bass stockists as at 31<sup>st</sup> December 2015. (10mks)

Details	Dr shs	Cr shs
Opening stock	30,000	
Purchases	275,000	
Sales		390,000
Debtors	47,000	
Commission received		36,000
Returns inwards	10,000	



Returns outwards		6,000
Carriage inwards	16,000	
Carriage outwards	8,000	
Advertising	3,000	
Salaries	19,000	
Rates	12,000	
Premises	450,000	
Machinery	180,000	
Loan		210,000
Insurance	20,000	
Discounts	5,000	7,000
Drawings	25,000	
Cash	40,000	
Bank	250,000	
Creditors		52,000
Capital		689,000
	1,390,000	1,390,000

Additional information;

Closing stock – shs. 50,000

Required: Prepare Abass stockist trading profit and loss account for the period ended 31/12/2015

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**ASUMBI GIRLS' HIGH SCHOOL**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. (a) Explain five factors that encourage entrepreneurial development in Kenya. (10mks)  
 (b) Highlight five characteristics of an efficient tax system. (10mks)
2. (a) Dr Walden would like to pass a message to a friend. Explain five factors he is to consider in choosing the most appropriate means of communication to use. (10mks)  
 (b) Describe any five source of document that a business may have access to. (10mks)
3. (a) Explain five benefits of direct production. (10mks)  
 (b) The following information relates to Maralal Traders for the month of May 2014.
 

May 1:	Balance brought forward
	Cash shs 180,000
	Bank shs 450,000 (Cr)
3:	received a cheque of 1,500,000 from Mpasha, a debtor
7:	Cash sales shs 280,000
11:	Jolloimat, a creditor of shs 600,000 was paid by cheque of sh 400,000 and the balance by cash
14:	Received commission in cash shs 150,000
17:	A debtor, Leteipa, paid his account of 185,000 by cheque less 2% cash discount.
19:	Paid the following expenses by cheque:
	Rent shs 75,000
	Electricity shs 32,000
	Water shs 25,000
21:	Withdrew shs 100,000 from bank for personal use.
24:	Paid cash shs 133,280 to Kinai after deducting a cash discount of 2%
25:	Received a cheque of sh 200,000 from Kiyapi, a debtor
28:	Paid salaries shs 120,000 by cheque
31:	Banked all cash except shs 50,000

**Required:**

Record the above transactions in a three column cash book. (10mks)

4. (a) Explain five differences between private limited companies and partnerships forms of business units. (10mks)  
 (b) Explain clearly with aid of a diagram the change of equilibrium as a result of increase in supply of a commodity. (10mks)
5. (a) Explain five challenges that an underpopulated country may experience. (10mks)

(b) Explain five measures that a wholesaler would take to ensure smooth running of his warehouse. (10mks)

6. (a) Highlight four circumstances under which a cheque may be dishonoured. (8mks)

(b) The following trial balance related to Kimani;s business as at 31<sup>st</sup> December 2012

	DR(SHS)	CR(SHS)
Stock on 1 <sup>st</sup> January 2003	60,000	
Purchases and sales	400,000	580,000
Returns	20,000	50,000
Debtors and creditors	65,000	40,000
Premises	540,000	
Machinery	200,000	
Fixtures and fittings	100,000	
Carriage outwards	8,000	
Wages and salaries	30,000	
Discounts	25,000	32,000
Commissions	16,000	14,000
Cash in hand	70,000	
Capital		818,000
	<u>1,534,000</u>	<u>1,534,000</u>

**Required:**

(a) Prepare a trading profit and loss account for the period ended 31<sup>st</sup> December 2012 and a balance sheet as at that date if the closing stock was worth shs 70,000 (12mks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Date.....

---

**KAPSABET BOYS HIGH SCHOOL**

**565/2**  
**BUSINESS STUDIES**  
**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**  
WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. a) Explain **five** circumstances that can cause a business to succeed in their activities.

(10 marks)

b) Describe the procedure an insured must take when making an insurance claim.

(10 marks)

2. (a) Mzalendo Enterprises started business on 1<sup>st</sup> July 2010 with Shs. 250,000

consisting of:

Cash at bank Shs.200,000, Cash in Hand Shs. 30,000 and Furniture Shs. 20,000.

The following transactions took place during the month of July 2010.

3<sup>rd</sup> July 2010, Motor Van worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit

4<sup>th</sup> July 2010, more stock worth shs.10,000 was bought by cash

10<sup>th</sup> July 2010, withdrew money from bank sh 50,000 for office use

15<sup>th</sup> July 2010, Sold stock at cost to a customer on credit for shs. 18,500

19<sup>th</sup> July 2010, received a cheque for the full settlement of a debt owed from the transaction of 15<sup>th</sup> July 2010

23<sup>rd</sup> July 2010, paid Shs. 65,000 by cheque for the motor van bought earlier on credit

29<sup>th</sup> July 2010, paid Shs. 20,000 cash for the stock bought on credit

**Required:**

Prepare the balance sheet of Mzalendo Enterprises as at 30<sup>th</sup> July 2010.

(10marks)

(b) Explain **five** reasons why upward communication should be encouraged in an organization.

(10 marks)

3. (a) On 1<sup>st</sup> March 2020, Yawa had cash in hand shs. 7,800 and a bank overdraft of shs 23,400. During the month of the following transaction took place.

March 3: Cash sales sh. 6500 paid directly into the bank.

March 4: Bought goods for sh. 15,000 by cheque.

March 6: cash sales sh. 50,000

March 9: Received a cheque for sh. 18,000 from Amolo in full settlement of his account of sh. 20,000.

March 13: Paid insurance premiums sh. 16,000 in cash.

March 14: Paid Kimotho by cheque sh. 9,700 in full settlement of his debt of sh. 10,000.

March 17: Cash sales sh. 150,000 paid directly into the bank.

March 21: Withdrew shs. 30,000 from bank for office use.

March 23: Received a cheque of sh. 23,750 from Rotich after having deducted 5% cash discount.

March 25: Paid wages shs. 20,000 in cash.

March 26: The cheque received by Amolo was dishonoured.

March 30: Banked all cash except sh. 3,000.

**Required: Prepare a three-column cashbook. (10mks)**

- (b) Explain five challenges that may be experienced by a country whose population is made up of a large proportion of young people. (10mks)
4. (a) Explain five circumstances under which personal selling may be appropriate as a method of product promotion. (10mks)
- (b) Explain five factors that may hinder entrepreneurial activities in a country. (10mks)
5. a.) As business expands, it experiences economies of scale such as division of labour and specialization. Explain Five benefit of the economy of scale mentioned to the business (10mks)
- b.) Kamau operates a large hardware business in a town in Kenya. Apart from motor vehicle insurance policies, highlight giving reasons, five insurance policies that may be beneficial for this business. (10mks)
6. a) Explain **five** advantages of M-pesa (10 mks)
- (b) Using a well labeled diagram, illustrate, the effect of reduced cost of production on equilibrium price and output (10 mks)

# GOLDLITE ONLINE SUPPLIES

*Kenya Certificate of Secondary Education*

## KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

---

Name ..... Admission number .....

Candidate's Signature.....Date.....

---

### KENYA HIGH SCHOOL

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003

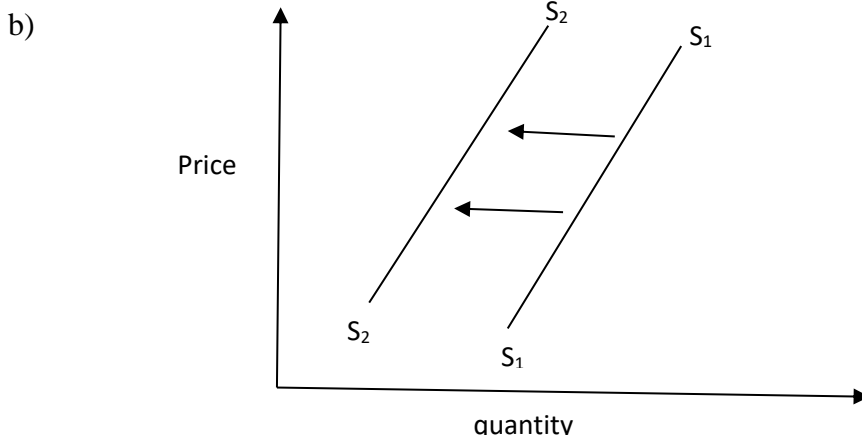
EMAIL: Goldlitepublishers@gmail.com



- 1 a) Explain **five** benefits of division of labour and specialization to an organization. (10marks)
- b) ABC Company wishes to start a manufacturing firm, explain **five** factors that they will consider before deciding where to locate their firm. (10marks)
2. a) Motorcycles (Bodaboda) are gaining popularity as a means of transport especially in the rural areas. Explain **five** reasons for this trend. (10marks)
- b) On 1<sup>st</sup> January 2023, Juma traders had shs 50,000 cash and a bank overdraft of shs 30,000. During the month the following transactions took place;

2 <sup>nd</sup> January 2023	Made cash sales of shs 400,000
5 <sup>th</sup> January 2023	Received a cheque of shs 450,000 from Jacob traders in full settlement of their debt after allowing a 10% cash discount.
7 <sup>th</sup> January 2023	Paid rent in cash shs 20,000
12 <sup>th</sup> January 2023	Took cash shs 40,000 to settle a personal debt.
14 <sup>th</sup> January 2023	Deposited shs 20,000 from the cash till in the business bank account.
17 <sup>th</sup> January 2023	Purchased stock on credit from Bernard distributors worth shs 20,000
20 <sup>th</sup> January 2023	The cheque received on 5 <sup>th</sup> January was dishonored.
23 <sup>rd</sup> January 2023	Cash sales of shs 50,000
25 <sup>th</sup> January 2023	Settled Charity's account of shs 200,000 by cash less 3% cash discount.
28 <sup>th</sup> January 2023	Cash sales banked directly shs 39,000
30 <sup>th</sup> January 2023	Paid Pendo trader's shs 124,000 in cash after deducting a cash discount of shs 6000.
31 <sup>st</sup> January 2023	Deposited all cash in the bank account except shs 1000.

- 3 a) Explain **five** reasons for government involvement in business. (10 marks)



Explain **five** reasons that may account for the above trend. (10 marks)

- 4 a) Jamal took an insurance policy and eventually suffered a loss as a result of occurrence of the insured risk. Explain the procedure that he would follow when making a claim from the insurer.  
(10 marks)
- b) Outline **five** principles of co-operatives. (10 marks)
5. a) Explain **five** factors that may have contributed to high rate of unemployment in a country like Kenya.  
(10 marks)
- b) Explain **five** types of small-scale retailers with shops. (10 marks)
- 6 a) The following balances were extracted from the books of Silker Traders on 1<sup>st</sup> January, 2022.

	Kshs.
Capital	?
Creditors	680,000
Motor van	1,200,000
Bank	800,000
Stock	600,000
Debtors	820,000
Cash	700,000

The following transactions took place during the first week of January, 2022.

Jan 2: Paid a creditor Ksh.180,000 by cheque.

Jan 3: Sold goods worth Ksh. 160,000 for which Ksh.120,000 cash was received and balance was due at the end of the week.

Jan 4: The owner took goods worth Ksh.5,000 for home use.

Jan 5: Sold goods worth Ksh.200,000 for Ksh.237,000 on credit.

Jan 6: Received Ksh.330,000 from Keiyo distributors a debtor by cheque.

**Required:**

- i) Ascertain Silkertraders capital as at 1<sup>st</sup> January, 2022. (2 marks)
- ii) Draw Silker Trader's balance sheet as at 7<sup>th</sup> January, 2022 showing the items in their relevant classes.  
(10 marks)
- b) Explain **four** personal considerations to be put into account when evaluating a business opportunity.  
(8 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**KISII SCHOOL**

**565/2**  
**BUSINESS STUDIES**  
**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. (a) Explain **five** reasons for trade restriction by a country. (10 marks)

(b) With the help of a diagram explain the circular flow of income in a two sector economy.

(10 marks)

2. (a) Explain **five** principles of public expenditure that must be considered before any expenditure can be incurred by the government. (10 marks)

(b) The following balances relate to Kilindini traders as at 31<sup>st</sup> July 2014.

	Shs.
Stock 1/8/2013	60,000
Salaries	140,000
Creditors	70,000
Capital	1,400,000
Purchases	300,000
Rent	20,000
Insurance	80,000
Debtors	120,000
Sales	700,000
Stock (31/7/2014)	40,000
5 year bank loan	400,000
Returns inwards	30,000

Required:-

(i) Prepare a trading and profit and loss account for the year ending 31<sup>st</sup> July 2014.

(5 marks)

(ii) Calculate the following ratios

Margin (1 mark)

Rate of stock turn over (2 marks)

Return on capital (2 marks)

3. (a) Explain **five** causes of unemployment. (10 marks)

(b) Explain **five** circumstances under which a pro-forma invoice may be used. (10 marks)

4. (a) Explain **five** measures that can be used by an office to safeguard the property of the organization. (10 marks)

(b) Explain **five** ways in which the government may promote local trade. (10 marks)

5. (a) Explain **four** ethical issues in product promotion. (8 marks)

(b) On 1<sup>st</sup> September 2013 Thika Traders had cash in hand sh. 560,000 and a following transaction took place during the month.

**Sept. 8** Paid the following creditors by cheque after deducting 10% discount in each case:-

Benson sh. 140,000

Martha sh. 98,000

**Sept 13** Settled Kimani's account sh. 70,000 by cheque after deducting 10% cash discount.

**Sept 17** Received cheques from the following debtors after deducting 10% discount in each case:-

Mwanaisha s h. 350,000

Fatma sh. 105,000

**Sept 24** Received the following cheques from debtor after having deducted cash discount of 2% in each case:-

Josephine sh. 411,600

Damaris sh. 123,480

**Sept 28** received the following amounts in cash from debtors handing deducted cash discount of 2%

James sh. 82,320

Faith sh. 246,960

**Required:-**

Record the above transactions in a **three** column cashbook and balance it off at the end of the month. (12 marks)

6. (a) Explain **five** fiscal policy measures that can be used to control inflation. (10 marks)

(b) Explain **five** circumstances under which face to face communication would be preferable to a firm. (10 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**MANGU HIGH SCHOOL**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1.

(a) Explain **FIVE** reasons why commercial banks are very important in an economy.  
(10 marks)

(b) Abdula, a manufacturer exhibited his goods at a local trade show. However, his sales did not increase significantly thereafter. Outline **five** reasons that may have led to lack of significant sales increase.  
(10mks)

2. (a) Highlight **four** roles of Nairobi stock exchange as a market for securities.  
(8 marks)

(b) On 1<sup>st</sup> October 2013, Otonglo Traders Had shs.10 000 and shs.40 000 at the bank. During the month, the following transactions took place.

- Oct 2 Bought goods worth shs3,100 by cheque
- 3 Paid motor expenses shs.6,000 in cash
- 6 Sold goods worth 8,200 cash
- 10 paid a creditor shs.9,500 by cheque after deducting a 5% cash discount
- 12 Received a commission of shs.580 directly into the bank account.
- 14 Shelby, a debtor, settled her account of shs.30,000 by cheque less a 2.5% cash discount
- 15 The bank deducted shs. 850 from the business account for services rendered
- 19 The owner took shs.1,500 by cheque for personal use
- 23 Paid Kiboko traders shs.38,800 by cheque in full settlement of their account less 3% cash discount
- 24 Withdrew shs.15,000 from bank for business use
- 26 Received shs.8,200 cash from a debtor in full settlement of a debt of shs.8,500
- 30 Took all the cash to the bank leaving only shs.1,800 in the cash till

**Required:**

Prepare a duly balanced three column cash book (12 marks)

3 (a) Outline **FIVE reasons** why a bank may dishonour a cheque.  
(10 marks)

(b) Outline **five** differences between perfect competition market and oligopolistic markets.  
(10mks)

4. (a) Explain five ways that the Government as an external business environment factor can influence Business Activities. (10 marks)

(b) Your school intends to place an order with Elimu Company limited for the supply of some urgently required laboratory equipment. Explain **five** reasons why it would be advisable for the school to use e-mail instead of telephone when placing the order. (10 marks)

5. (a) Explain five importance of entrepreneurship to the economy. (10mks)  
b) The following transactions relates to Kioko Traders for the month of May 2012.

May 2: Sold goods on credit to Asunta sh.24,000 and Janet sh.32,000

May 8: Bought goods on credit from Patel Traders sh.80,000

May 12: Asunta returned goods worth sh.4,000

May 15: Purchased goods on credit from Karoki sh.68,000 and Petero sh.62,100

May 20: Goods worth sh.12,000 were returned to Patel Traders and goods worth sh.6,000 to Karoki

May 23: Goods sold on credit to Asunta sh.16,000, Tom sh.22000 and Joseph sh.26,000

May 27: Goods returned by Janet sh.4,000

May 30: Purchased a motor vehicle on credit worth sh.1,000,000 from General Motors

**Required:** Prepare the relevant journals. (10 marks)

6. (a) Using a diagram illustrate the effects of a rightward shift in supply curve on equilibrium price and quantity. (10 marks)
- (b) Many youths in Kenya remain unemployed. Explain six measures that can be taken to solve unemployment in Kenya. (10 marks)



# GOLDLITE ONLINE SUPPLIES

*Kenya Certificate of Secondary Education*

## KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

### NAIROBI SCHOOL

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003

EMAIL: Goldlitepublishers@gmail.com

1. a) Explain **five** ways in which the Central Bank of Kenya regulates the operations of commercial Banks in Kenya (10 marks)
- b) Explain the importance of Economic integration to a country. (10 marks)
2. a) Explain any **five** ways in which production activities negatively affect a community. (10 marks)
- b) Explain any **five** structural changes that a country experiencing economic development may face. (10 marks)
3. a) The following information relates to Kadzo's business for the week ended 30<sup>th</sup> Nov. 2010
 

**November 25:** Started business with Shs. 160,000 in cash.

**26:** Bought goods for shs. 120,000 in cash

**27:** Cash sales Shs. 126,000

**28:** Paid for electricity Shs. 1,000 in cash

**29:** Received cash Shs. 37,500 for rent

**30:** Paid commission Shs. 6000 in cash

**Required**

- i) Ledger accounts to record the transactions above.
- ii) Trial balance as at 30<sup>th</sup> November 2010 (10 marks)
- b) Explain five reasons that may account for the continued existence of direct production in Kenya (10 marks)
4. a) Explain any **five** negative effects of inflation. (10 marks)
- b) Explain **five** limitations of barter trade. (10 marks)
5. a) The following balances were extracted from the books of Kule Investment on 31<sup>st</sup> May 2009

	Shs
Gross profit	800. 000
Capital	2, 000, 000
Cash at bank	200. 000
Cash in hand	108, 000
Discount received	8, 000
Discount allowed	52, 000
Creditors	1, 124, 000
Debtors	700, 000
General expenses	504, 000
Stock	70, 000
Power	40, 000
Lighting	360, 000

Advertising	87, 000
Furniture	783, 000
Equipment	1, 100, 000

**Prepare**

i) Profit and loss account for the year ended 31<sup>st</sup> May 2009.

ii) Balance sheet as at 31<sup>st</sup> May 2009. **(10 marks)**

**b) Explain five benefits of M-pesa as money transfer service to its users. (10 marks)**

6. **a) Explain five circumstances under which a high population growth may be desirable. (10 marks)**

**b) Explain five benefits that Kenya may derive from preparation of a development plan.**

**(10 marks)**

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**STAREHE GIRLS CENTER SCHOOL MOCK TRIAL**

**565/2**  
**BUSINESS STUDIES**  
**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**  
WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

1. (a) In most secondary schools in Kenya, principals are accommodated in their own offices.  
Explain five disadvantages associated with this kind of arrangement. (10 marks)  
(b) Explain five main source documents used in a business. (10 marks)
2. (a) Explain any five methods used by the government to restrict international trade. (10 marks)  
(b) Explain five principles of insurance. (10 marks)

3. (a) Chapa kazi traders had the following balances as at 31<sup>st</sup> March 2013.

	Shs.
Capital	20,000
Sales	140,000
Purchases	90,000
Closing stock	70,000
7 year bank loan	30,000
Insurance expenses	25,000
General expenses	12,000
Debtors	25,000
Creditors	75,000
Cash at bank	20,000
Cash in hand	10,000
Premises	95,000

Calculate

- (i) Mark up (2 mark)
- (ii) margin (2 marks)
- (iii) Rate of stock turn over. (2 marks)
- (iv) Return on capital employed. (2 marks)
- (v) Current ratio. (2 marks)
- (b) Explain five reasons why the government emphasizes on training business people. (10 marks)

4. (a) The following balance sheet was prepared from the books of Makori traders.

Makori traders  
Balance sheet  
As at 31<sup>st</sup> Dec 2011

	Sh	sh		sh	sh
<u>Fixed assets</u>			capital		280,000
Motor vehicle	600,000		<u>long term liabilities</u>		
Furniture	80,000	680,000	bank loan (5 years)		500,000
<u>Current assets</u>			<u>short term liabilities</u>		
Stock	200,000		creditors	280,000	
Cash	60,000		bank overdraft	<u>20,000</u>	300,000
Debtors	<u>140,000</u>	<u>400,000</u>			
		<u>1,080,000</u>			<u>1,080,000</u>

The following transactions then took place in January 2012

- (i) Opened a bank account for the business and deposited shs 120,000 from personal sources.
- (ii) Paid part of the bank loan shs 40,000 by cash.
- (iii) Bought goods worth shs 50,000 on credit.
- (iv) Sold part of the furniture worth shs 10,000 in cash

Required:

Prepare Makori traders balance sheet as at the end of January 2012.

(b) Explain five sources of a business idea. (10 marks)

(5) (a) Many people use internet banking and automatic teller machine (ATM).  
Explain five advantages of internet banking to a customer. (10 marks)

(b) Describe five benefits Kenya would derive from a well drawn development plan. (10 marks)

(6) (a) Explain five limitations of using per capital income to compare standards of  
living in different countries. (10 marks)

(b) Outline five negative economic implications of an ageing population to a country. (10 marks)

**GOLDLITE ONLINE SUPPLIES**  
*Kenya Certificate of Secondary Education*  
**KCSE TOP NATIONAL SCHOOLS TRIAL SERIES 2025**

---

Name ..... Admission number .....  
Candidate's Signature.....Date.....

---

**STAREHE BOYS CENTER SCHOOL**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**INSTRUCTIONS TO CANDIDATES:**

- a) This paper consists of six questions*
- b) Answer any **five** questions.*
- c) Write your answers in the answer booklet provided*
- d) All questions carry equal marks*
- e) This paper consists of 3 printed pages.*
- f) Candidates should check the question paper to ascertain that all the pages are printed and no questions are missing.*

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

**CONTACT US ON:**

WhatsApp/Call or Text 0724351706/0726960003  
EMAIL: Goldlitepublishers@gmail.com

**Answer Any Five Questions**

1. (a) Explain **five** benefits that may accrue to a firm that adopts division of labour. (10 marks)  
(b) Discuss **five** problems that a country may face when measuring her national income using output approach. (10 marks)
2. (a) Explain **five** measures that a business may take to safeguard and control its property. (10 marks)  
(b) Discuss five factors that a manufacturer should consider when choosing a distribution channel. (10 marks)
3. (a) Describe **five** circumstances under which a bank may dishonor a cheque. (10 marks)  
(b) On 1<sup>st</sup> January, 2012 Chumo Traders had the following balances:  
Cash 15,000  
Bank 40,000  
During the month, the following transactions took place.  
Jan 2 Maritim, a debtor, settled his account of sh.10,000 by a cheque of sh.8,000.  
5 Deposited sh.4,000 into the business bank account from the cash till.  
9 Paid wages by cash sh.5,000  
14 Sold goods in cash sh.14,000  
17 Purchased office equipment worth sh.3,000, paying by cheque.  
18 Settled Korir's account, sh.10,000 by cash after being allowed a discount of 5%.  
21 Received sh.6,000 cash from Kolongei, a debtor.  
23 Tangus, a debtor settled his sh.4000 account by cheque having been allowed a discount of 20%.  
27 Deposited sh.17,000 in the business bank account from private sources.  
30 Banked all the cash in the till except sh.1000.  
  
Prepare a three column cash book for Chumo Traders duly balanced at the end of the month. (10marks)
4. (a) Outline **five** reasons why a wholesaler may decide to construct its own warehouse instead of hiring storage space. (10 marks)  
(b) Describe **five** features of human wants. (10 marks)
5. (a) Small scale businesses in Kenya has been struggling over the years, explain **five** reasons behind this. (10 marks)  
(b) Explain **five** factors to consider when choosing a method of product promotion. (10 marks)
6. (a) Describe **five** steps to be followed when obtaining an insurance policy. (10 marks)  
(b) The following information relates to Jambo Entreprises for the year ended 31<sup>st</sup> December 2018.



<u>Item</u>	<u>Shs</u>
Stock on 1 <sup>st</sup> Jan 2018	75,000
Furniture	2,000,000
Motor vehicles	4,000,000
Purchases	1,500,000
Carriage on Purchases	50,000
Sales	3,000,000
Carriage on Sales	15,000
Discount received	25,000
Debtors	400,000
Creditors	635,000
Discount allowed	10,000
Lighting & Heating	15,000
Water	5,000
Rent and rates	30,000
Repairs	50,000
Salaries	100,000
General expenses	70,000
Cash in hand	90,000
Cash at Bank	450,000
Capital	5,230,000
Commissions paid	30,000

Additional information:

Stock on 31<sup>st</sup> Dec 2018 was 105,000.

Prepare;

- (i) Trading Profit & Loss account for the year ended 31<sup>st</sup> Dec 2018.
- (ii) Balance sheet as at 31<sup>st</sup> December 2018.