

NAME.....ADM NO:

SCHOOL..... INDEX NUMBER.....

565/2

BUSINESS STUDIES

PAPER 2

DECEMBER, 2020

TIME: 2 HOURS

LANJET CLUSTER JOINT EVALUATION

Kenya Certificate of Secondary Education

565/2

BUSINESS STUDIES PAPER 2

DECEMBER, 2020

INSTRUCTIONS TO STUDENTS

- a) Write your name admission number in the spaces provided above
- b) This paper contains 6 questions. Check the question paper to ascertain all pages and questions are there. Write your answers in the spaces provided
- c) Answer all questions in English

QUESTION	1	2	3	4	5	6
MARKS						

TOTAL

This paper consists of 3 printed pages. Candidates should check the question paper to ascertain that all pages are printed as indicated and that no pages are missing.

Answer any Five Questions

1. a) Discuss any five economic importance of the recently discovered oil to the Kenya Economy. (10marks)
b) Describe five monetary tools used by the government to control inflation. (10marks)
- 2 a) Explain **four** reasons why Boda Boda transport has become a popular means of transport in Kenya. (8 marks)
b) The following trial balance relates to HM Traders Ltd as at 31st December 2011.

HM Traders Ltd
Trial Balance
As 31st December 2011

Particulars	Dr shs	Cr shs
Capital		283,200
Drawings	8000	
Cash at Bank	30,000	
Machinery	360,000	
Debtors	42 700	
Creditors		20 000
Stock (1.1.2011)	40000	
Sales		570 000
Purchases	325 000	
Return inwards	10000	
Return onwards		15000
Carriage inwards	4000	
Carriage outwards	5000	
Rent	18000	
Salaries and wages	40000	
Discounts Received		9000
General expenses.	14,500	
	<u>897 200</u>	<u>897 200</u>

Stock as at 31/12/2011 was valued at shs. 35,000

Required:

- i) Prepare a trading, profit and loss account for the year ended 31st December, 2011 (8 marks)
 - ii) Draw a balance sheet as at 31st December, 2011. (4 marks)
- 3 (a) Explain five consideration for proper use of County Funds (10 marks)
(b) The following table represents the supply of potatoes for 3 months.

Year 2010	Price Per Kg	Quantity Supplied (Kgs)
January	100	100,000
February	100	90,000
March	100	80,000

Explain five reasons to account for the change in quantity supplied of potatoes in the market.
(10 marks)

4 a) Mr Yego, a tea farmer in Kericho, wants to join Kiptigis farmers' co-operative society. Explain five benefits that would accrue to him as a result of being a member of the society
(10 marks)

b) On 1st September 2006, Mau Enterprises had the following balance.

Cash shs. 55,000

Bank shs. 250,000 (CR)

During the month, the following transaction took place

September 2nd: Cash Sales Banked shs. 535,260

3rd: Bought Ribbons in cash shs. 4,500

8th: Paid Wangila, a creditor shs. 94,000 by cheque in full settlement of his Account after deducting 6% cash discount

12th: Received a cheque for shs. 58,800 from Wetu after allowing her cash discount of shs. 1,200

15th: Paid salaries shs. 34,000 in cash

25th: Withdrew shs. 50,000 from bank for office use

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

30th: Deposits all the cash into Bank except shs. 13,700

Required: Prepare a **three** column cash Book as at 30th September 2006 (10 marks)

- 5) a) Explain **five** measures that Kenya can take to solve the problem of unemployment.
(10 marks)
- b) Kenya is looking forward to the realization of vision 2030, explain five obstacles that may hinder the successful implementation of the development plan.
(10 marks)
- 6 (a) Draw five differences between perfect competition and monopolistic competition
(10 marks)
- (b) Explain five negative implications of production activities on the environment
(10 marks)

