

JKIM JOINT EXAMINATION KCSE REVISION 2017

BUSINESS PAPER 2

Answer any FIVE questions from this section

1a) Describe the procedure followed by a person when claiming for compensation after an insured risk occurs (10 marks)

b) Explain five possible causes of business failure (10 marks)

2a) Explain problems that face public cooperation (10 marks)

b) Discuss five circumstances' that may force an insurance company to re-insure (10 marks)

3a) Explain five problems that may face a country that consist of majority population being the ageing population (10 marks)

b) Discuss the major differences between banking and non-banking financial institutions (10 marks)

4a) Describe five internal environmental factors that business operations face (10 marks)

b) State and explain five major differences between hypermarkets and supermarkets (10 marks)

5a) Explain five roles played by entrepreneurs to country's economy (10marks)

b) Enter the following transactions into two column cash for Jazika trader's book and balance it off (10 marks)

1<sup>st</sup> April 2015, cash at bank Shs 2500, cash at hand Shs 18000

4<sup>th</sup> April 2015, bought stock worth Shs 5000 on credit from Jane store

6<sup>th</sup> April 2015, sold stock to kary traders worth Shs 10000 paid in cash

10<sup>th</sup> April 2015, paid salaries by cheque worth Shs 6500

15<sup>th</sup> April 2015, cash purchases of Shs 25000 from kariu traders

19<sup>th</sup> April 2015, paid job creditor Shs 1800 cheque

20<sup>th</sup> April 2015, sold stock worth Shs 5000 paid cash

21<sup>st</sup> April 2015, withdrew Shs 9500 from bank for office use

“23rd April 2015, musau a debtor paid Shs 12500 by cheque

25<sup>th</sup> April 2015, cash purchases of Shs 3800

29<sup>th</sup> April 2015, bought stock worth Shs 34000 on credit from jani limited

6a) explain four sources of internal economies of scale (8marks)

b) Jkim enterprise started business on 1st June 2016 with Shs. 250,000 consisting of:

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

The following transactions took place during the month of June.

5th June 2014, furniture worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit

7<sup>th</sup> June 2016, more stock worth shs.10, 000 was bought by cash

9th June 2016, withdrew money from bank sh 50,000 for office use

15th June 2016, sold stock at cost to a customer on credit for Shs. 18,500

19th June 2016, received a cheque for the full settlement of a debt owed from the transaction

Of 15th June 2016

23rd June 2016, paid Shs. 65,000 by cheque for the motor van bought earlier on credit

31st June 2016, paid Shs. 20,000 cash for the stock bought on credit

Required:

Prepare the balance sheet of Jkim enterprises as at 30<sup>th</sup> June 2016. (12marks)