

2017 KCSE JKIM joint examination paper

Business paper 2 Question paper

Answer all questions in this section in the space provided

1a) State and explain five internal business environment factors that may result to success of business. (10marks)

b) Explain five principles that govern the insurance contract (10marks)

2a) Describe five types of unemployment (10marks)

3a) Explain five benefits of a bonded ware house to importers (10marks)

4a) in the past few weeks the supply of product X has been decreasing. Explain four reasons that may have cause the situation. (8marks)

b) Patella traders had the following transactions during the month of May 2011:

May 3: Sold goods to Waweru sh 800,000, John Sh 5,000 and Owity sh 700,000 on credit.

May 4: Bought goods from Kabii sh 150,000, Jane sh 20,000 on paid by cheque.

May 5: Sold goods on credit to Marcy sh 12,000, Sharon sh 15,000, Peter sh 900,000.

May 6: Sold goods to Luanda sh 400,000. Paid by cash.

May 7: purchase goods from Kirwa Shs 4,000, Weru Shs 15,000 and Waweru Shs 23,500 on credit.

May 9: goods worth Shs 200,000 were returned by John and goods worth Shs 3,000 were returned by Owity.

May 10: credit purchases Shs 34,600 from Justine enterprise.

May 12: purchases return of Shs 5,000 and Shs 50,000 from Marcy and Owity.

May 14: sold goods on credit to James Shs 43,000, Job Shs 32,000 and Jimmy Shs 28,000

May 16: sold goods to Kirwa Shs 12,000 and Jonah Shs 48,900. Paid by cheque.

May 19: sales worth Shs 5,000, Shs 2,300 and Shs 4,300 were returned by Jimmy, James and Job respectively.

May 21: cash sales of Shs 34,000 to Pk enterprise

May 25: more purchases worth Shs 12,000 and 42,500 from Waweru and John respectively.

May 28: bought goods worth Shs 4,500 from Jane, Shs 5,800 Wanja and Shs 67,000 from Mary paid in cash.

Required:

Enter the above transaction in the relevant journals. (12marks)

5a) Discuss five causes of 'demand pull' inflation. (10marks)

b) Describe five reasons why a country may impose trade restrictions on import (10marks)

6a) Explain four benefits of over-population to a country's economy. (8marks)

b) The following information was extracted from the books of Kimemia Traders as at 31st

December 2015.

Details	Shs
Sales	800,000
Purchases	500,000
Returns inwards	90,000
Returns outwards	26,000
Creditors	150,000
Rent	60,000
Delivery van	160,000
Carriage outwards	3,000
Debtors	120,000
Carriage inwards	40,000
Bank	60,000
Stock (Jan 2015)	100,000
Interest expenses	10,000
General expenses	7,000
Stock (31 st Dec 2015)	120,000
Bank overdraft	4,000
Capital	170,000

Required:

- i) Prepare a Trading, Profit and loss account for the year ended 31st December 2015. (8 marks)
- ii) Prepare a balance sheet as at 31st December 2015. (4 marks)