

2017 KCSE JKIM joint examination paper

Business paper 2 question paper

Answer all questions in this section in the space provided

1a) explain five roles of stock exchange market (8marks)

b) The following information was extracted from the books of Jkim traders as on 31st December 2016.

Details	Shs
Premises	180,000
Furniture	50,000
Debtors	61,540
Cash in hand	60,000
Capital	165,000
Additional investment	20,000
Cash in bank	2,000
5 yrs. bank loan	80,000
Creditors	77,040
Office equipment	33,500
Rent	16,540
Electricity	1,500
Commission received	3,000
Gross profit	45,000
Discount allowed	2,000
Carriage outward	5,000
Salaries	11,540

Required

a) Prepare a balance sheet as at 31st December 2016 in order of liquidity (8marks)

b) Prepare trading, profit and loss account (4marks)

2a) Discuss five ways in which non-bank financial intuitions contributes to economic development in Kenya. (10marks)

b) Discuss five tools used by central bank to control inflation. (10marks)

3a) Explain five uses of the national income statistics (10marks)

b) Discuss five sources of monopoly power. (10marks)

4a) describe five effects of under-population to country's economic development. (10marks)

b) Explain five principles of a good tax system. (10marks)

5a) describe five effects of micro business environment on business operations. (10marks)

b) Draw supply and demand curve to show excess demand and excess supply of product X. (10marks)

6a) discuss five problems that face public corporative in their operations. (10marks)

6b) kanji traders had the following balances on 1st April 2015.

Particulars	Ksh
Equipment	5,600
Bank	35,000
Debtors	28,000
Creditors	66,600

Later in the month, the following transactions took place.

5th April -Purchased goods worth sh 9500 and paid by cheques.

7th April –paid creditors, sh 10,600 by cheques.

23rd April–Received a cheques of sh. 22,000 for goods sold

27th April–Withdrew sh 5000 from the bank to pay salaries.

Required:

Open the relevant ledger accounts and extract a trial balance. (10 marks)