

2017 KCSE JKIM joint examination paper

Business paper 2 Question paper

Answer ANY 5 questions in this section in the space provided

1a) discuss five ways in which the Nairobi stock exchange supports business and economic growth in a country. (10marks)

b) Explain five services rendered by retailers to producers/manufacturers (10marks)

2a) Describe five errors which cannot be shown by a trial balance. (10marks)

b) Discuss five effects of production activities by businesses on environment and community health as a whole. (10marks)

3a) Explain the roles of commercial bank. (10marks)

b) Describe five causes of low economic growth in a country. (10marks)

4a) Discuss five trends in transport sector. (10marks)

b) Explain five benefits to a country that may engage in free international trade. (10marks)

5b) Fatuma traders had the following balances on 1st June 2014.

Details	Ksh
Equipment	45,600
Cash in hand	43,000
Bank	54,000
Debtors	48,000
Creditors	88,800
Bank loan	45,500

Later in the month, the following transactions took place.

June 6th: Purchased goods worth Shs 19,500 and paid by cheques.

June 7th: paid creditors, sh 17,600 by cheques.

June 23rd: Received cheques of sh. 35,000 for goods sold.

June 28th: Withdrew sh 25,000 from the bank to pay for rent.

Required:

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

b) Explain five uses of office equipment's. (10marks)

6a) Discuss five trends in internal trade. (10marks)

b) Jennifer traders
 Balance Sheet
 As at 30th June 2014

Fixed Assets		Capital 422, 930	
Premises	300,000	Add Net profit 220, 500	
Furniture	51,500	Less drawings (175,000)	468, 450
Machinery	140,000		
Motorcar	190,000 (681,500)	LTL	
Current Assets		Mortgage loan 300000	
Stock	124,500	Bank loan 100000	400, 000
Debtors	103, 650	Current liabilities	
Cash at Bank	54850	Creditors	99, 720
Cash at hand	3650 (286, 650)		
	<u>968, 150</u>		<u>968, 150</u>

Calculate:

- i) Working capital (WC) (2 marks)
- ii) Return on capital (ROC) (2 marks)
- iii) Borrowed capital (2marks)
- iv) Current ratio (2 marks)
- v) Quick ratio (2 marks)