

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 reasons why an entrepreneur may prefer to operate a small scale organization. (10marks)

b) Explain five cause of shift in supply curve. (10marks)

2a) explain five assumptions associate with perfect competition (10marks)

b) Discuss five features of supermarket. (10marks)

3a) explain five advantages that a firm may get for practicing division of labour and specialization. (10marks)

b) State and explain five principles of taxation. (10marks)

4a) intermediaries play a major role in the chain of distribution. Explain five such roles. (10marks)

b) Explain five benefits of ware housing to business.

5a) most developing countries face a major challenge of unemployment. Explain five causes of unemployment in those countries. (10marks)

5b) the following information relate to Joan traders.

Jan 1: Sold goods on credit worth ksh. 100,000 to Mercy, invoice no. 101

Jan 2: Sold goods to wambui traders on credit worth ksh. 50,000, invoice no. 102

Jan 3: Mercy returned goods of ksh. 20000, credit note no. 206

Jan 4: Wambui Traders returned goods worth ksh. 5000, credit note no. 207

Required:

Prepare relevant journey entries, record the above transactions and then post to the relevant

Ledger accounts (10 marks)

6a) one of the reasons of government involvement in business activities is to regulate demand and supply of commodities. Explain five ways through which the government may cause a decrease in the supply of a commodity. (10 marks)

b) 4. The following balances were extracted from the books Tanya high as at 31st December 2015

Shs.

Furniture 20,000

Carriage outwards	5,000
Discount received	3,000
Gross profit	12,000
Rent income	2,500
Salaries	5,000
Insurance	1,000
Creditors	7,000
Electricity	2,000

Required to prepare Tanya trader's profit and loss account for the period ended 31st December 2015