

2017 KCSE JKIM JOINT EXAMINATION

Business paper 2 Question paper

answer FIVE question only in this section.

1a) discuss five measures taken by the government to encourage increase in the country's volume of exports. (10mks)

b) Explain five positive impact of physical environment on the operations of business. (10mks)

2a) Discuss five current trends on banking sector. (10mks)

b) Explain five factors that may hasten economic development of a country. (10marks)

3a) State and explain five differences between chain store and super market. (10mark)

b) Discuss five reasons why consumers need protection from unscrupulous traders. (10marks)

4a) Explain five limitations of posters and siren means of communication. (10marks)

b) Discuss five reasons why government may impose trade restriction. (10mark)

5a) Discuss five goals of development. (10marks)

b) The following transactions were extracted from the book for Njeru traders.

1st April 2015 cash balances ksh 15250, bank 2500

4th April 2015 paid musa creditor ksh 1200 cash

8th April 2015 cash purchases of ksh 5000 from kimau traders

9th April 2015 sold goods worth ksh 10000 to maiyo enterprise paid by cash

10th April 2015 paid salaries ksh 6500, rent ksh 2000 by cheque

15th April 2015 withdrew ksh 12000 from bank for office use

17th April 2015 sold goods worth ksh 5000 to mania traders on credit

20th April 2015 received ksh 5000 from mania traders a debtor

24th April 2015 cash sales of goods worth ksh 8000

25th April 2015 withdrew ksh 5000 from bank for personal use

required:

enter the above transactions in two column cash book and balance it off. (10marks)

6a) discuss four factors that an entrepreneur would consider before investing in a opportunity.
(8marks)

6b) On 1st may 2006, the statement of financial position of Njeru was as follows:

Ksh. Bills payable 18,000 Creditors 8,900 Capital 34,000 Cash 19,500 Debtors 11,400 Office
Equipment 30,000 Njeru completed the following transactions during January 2007. Jan 2 Paid rent
for his office Ksh.600 cash

3 Received a cheque for Ksh.3, 000 from debtors

10 Paid creditors Ksh.3, 500 cash

12 Purchased furniture for Ksh.5, 000 cash

20 Credit sales to customers Ksh.7, 000

25 Paid electricity Ksh.400 and telephone Ksh.750 cash

32 withdrew ksh 700 cash for personal use

required:

prepare a balance sheet as at 1st may 2007(12marks)