

KCSE JKIM JOINT EXAMINATION 2017

BUSINESS PAPER 1

1. THE following information was extracted from the books of Waweru traders.as at 30 June 2008

Waweru, a sole trader, on 30 th June 2008. Shs.	
Capital	80,000
Drawings	6,000
Plant and machinery as at 1 st July 2007	20,000
Additional plant and machinery as at 1 st January 2008	5,000
Stock on 1 st July 2007	15,000
Purchases	82,000
Returns inwards	2,000
Furniture and fixtures	5,000
Sundry debtors	20,000
Carriage outward	500
Freight and duty	2,000
Trade expenses	800
Printing and stationery	4,600
Rent, rates and taxes	4,600
Sundry creditors	10,000
Sales	120,000
Return outwards	1,000
Postage and fax	800
Provision for doubtful debts	800
Rent of premises sublet during the year	1,600
Insurance	700
Salary and wages	21,300
Cash in hand and at bank	26,700

Additional information

(i) Stock on 30th June 2008 was valued at Ksh.14, 000.

(ii) Bad debts written off Ksh.600.

(iii) Provision for doubtful debt is to be maintained at 5% on sundry debtors.

(iv) Provide depreciation on furniture and fixtures at 5% per annum and on plant and machinery at 20% per annum.

(v) Insurance prepaid was Ksh.100.

Required: (a) Trading, Profit and loss account for the year ended 30th June 2008. [12 marks]

(b) Balance sheet as at 30th June 2009. [8 marks]

2a) with a aid of diagram show excess demand and supply of product x at equilibrium. (10mars)

b) explain five importance of business plan to potential entrepreneur. (10marks)

3a) discuss five importance Kenya will get by engaging herself in free international trade. (10marks)

b) explain five causes of cyclic type of unemployment (10marks)

4a) discuss five impact of political environment on business activities. (10marks)

b) explain five characteristics of good monetary material. (10marks)

5a) discuss five function of central bank that regulates commercial banks. (10marks)

b) Explain five mailing services that facilitate communication. (10marks)

6a) describe five goals of development plan. (10marks)

b) Enter the following transactions into two column cash book for kanji Traders and balance it off. {10 marks}

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

discuss five function of central bank that regulates commercial banks. (10marks)