

KCSE JKIM JOINT EXAMINATION TEST

Business paper 2 question paper

Answer FIVE questions only in the space provided.

1. a) Kenya is one of the developing countries in the world faced by the problem of unemployment. Discuss five types of unemployment that face the youths in Kenya.. (10marks)

b) December 2012

Details	Shs
Capital	500,000
Sales	200, 000
Purchases	100, 000
Opening stock (1.1.2012)	25,000
Closing stock (31.12.2012)	15,000
5 years bank loan	100,000
Rent expenses	40,000
Electricity bill expenses	15,000
General expenses	25,000
Debtors	45,000
Creditors	32,400
Rent income	54,600
Commission received	13,000
Commission allowed	14,000

Required

- i). Prepare a trading, profit and loss account for the year ended 31st December 2012. (8mks)
- ii). calculate margin in percentage(2marks)

2a) Discuss five reasons why government is involved in running business in Kenya. (10marks)

b) Explain five assumptions that are made for perfect completion market to hold. (10marks)

3a) Describe the process of obtaining an insurance cover. (10marks)

b) Explain five types of insurance cover that a mama mboga will take for her business. (10marks)

4a) Discuss five drawbacks of railway transportation. (10marks)

b) Describe five features that make partnership form of business different from sole proprietorship. (10marks)

5a) Explain five circumstances would cause a business to succeed in their activities. (10marks)

5b) Discuss five distractors of face to face communication.(10marks)

6a) Kanji Enterprises commenced business on 1st May 2012 with the following

Capital Shs 450,000

Cash at bank Shs.350, 000,

Cash in Hand Shs. 50,000

Furniture Shs. 50,000

The following transactions took place during the month of May.

3rd May 2012 office equipment worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit

7th May 2012 more stock worth shs.10, 000 was bought by cash

9th May 2012 withdrew money from bank sh 50,000 for office use

17th May 2012 Sold stock at cost to a customer on credit for Shs. 18,500

20th May 2012 received a cheque for the full settlement of a debt owed from the transaction

Of 17th May 2012

23rd May 2012 paid Shs. 65,000 by cheque for the office equipment bought earlier on credit

31st May 2012 paid Shs. 20,000 cash for the stock bought on credit

Required:

Prepare the balance sheet of Kanji Enterprises as at 31st May 2012. (10marks)

b) State and explain five advantages of upward communication in an organization. (10marks)