

JKIM JOINT EXAMINATION 2017 KCSE REVISION

Business paper 2 question paper

Answer only FIVE questions from this section in the space provided. (100marks)

1a) discuss five reasons that may account for the continued use of hand carts as a means of transport despite the advancement of transport in Kenya. (10marks)

b) John and Mary are two lawyers who want to start a law firm. Explain five challenges they will face during the operations of their business. (10marks)

2a) Explain five factors that determine the national income of a country. (10marks)

b) Discuss five causes of demand pull inflation. (10marks)

3a) the following information relates to Watere traders limited for the year 2015.

Net sales Shs. 1,320,000

Margin 20%

Expenses Shs 135,000

Rate of stock turnovers 5 times

Capital Shs 1,180,000

From the information given above calculate:

(i) Gross profit (3marks)

(ii) Cost of goods sold (2marks)

(iii) Net profit /loss (2marks)

(iv) Average stock (3marks)

(v) Rate of return on capital (2marks)

(b) explain four circumstances under which air transport would be used to transport goods. (8marks)

4. (a) explain five reasons why a manufacturer decides to use a long chain of distribution. (10marks)

b) by use of digram, explain the effects of excess supply over demand on quantity demanded and supplied at a certain market. (10marks)

5a) explain five limitations of using electronic filing system to a firm. (10marks)

(b) if Kenya becomes a member of International monetary fund (IMF). explain five benefits that Kenya may enjoy. (10marks)

6a) on 1st May 2007, Maji Mingi traders had Shs. 83,800 in cash and bank balances of shs 160,000.

the following transactions took place during the month:

2nd May cash sales worth Shs 12,000

3rd May paid the following expenses: rent Shs 2,000 cash, water bills Shs 4,000 cash, electricity bills Shs 5,000 cheque and wages Shs 6,900 cheque.

5th May receive a cheque of Shs 13,000 from Omondi, a debtor

7th May paid salaries Shs 5,800 cheque.

9th May credit sales to Kanji worth Shs 57,000

12th May paid Kirwa a creditor Shs 23,000 cheque

18th May sold goods worth Shs 43,000 paid half in cash and the other in cheque

21st May bought stock worth Shs 54,000 cheque from Jani suppliers

23rd May withdrew 200 from cash till to buy for lunch for him

28th May goods sold worth Shs 4,500 from Jani suppliers were returned back.

30th May took all the money from cash till to the bank leaving only Shs 1,500

required:

Record the above transactions in two column cash book and balance it off. (12 marks)

(b) Explain four methods of advertising as used in trade promotion. (8 marks)