

JKIM JOINT EXAMINATION 2017 KCSE REVISION

Business paper 2 question paper

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

1a) The east African countries are moving towards an integrated economy. Explain the benefits that may accrue to the citizens due to this development. (10marks)

b). Explain five challenges of operating a sole proprietorship form of business ownership. (10marks)

2a) Explain five factors that cause under-utilization of natural resources in a country. (10marks)

b) Discuss five causes of cost push inflation. (10marks)

3a) explain five shortcomings of using internet services in communication (10marks)

(b) explain five differences between central bank and the commercial banks. (8marks)

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

b) discuss five reasons why countries prepare developmental plans (10marks)

5a) explain five negative effects of high taxation in the economy of a country (10marks)

(b) The following information relates to Jazika retailers for the month of January 2013.

Invoices received:

Jan 6 Mandella Ltd sh 70,000

" 12 Othiambo traders Shs 150,000

" 18 Jua kali enterprises sh 50,000

Invoices issued:

Jan 5 Jambini traders Shs 10,000

" 10 Fedha Ltd Shs 100,000

" 15 Kalu works Ltd Shs 120,000

Credit note issued:

Jan 5 Jambini traders Shs 12,000

" 13 Fadhili Ltd Shs 6,000

Credit note received:

Jan 7 Mandela Ltd Shs 5,000

" 14 Othiambo traders Shs 1,000

Additional information

Jan 8 sold machinery on credit to Kwetu retailers Shs 50,000

" 9 bought electronic equipment on credit from lowland retailers Shs 8,000

" 10 bought Shs 5000 cash into the business from own sources.

Required: Record the above transactions in the appropriate dairy books (10marks)

(b) if Kenya start exporting petroleum products overseas. explain five benefits that Kenya may enjoy. (10marks)

6a) Explain five limitations of using sales person as a method of advertisement.(10marks)

b) (b) Wanja started business with Shs.250,000 cash and Shs.400,000 in one bank on January 1st 2012.

The following transactions took place in one month of January 2012.

Jan 1: Bought stationery for the business worth

Shs.20,000 cash.

Jan 3: Paid rent for the business Shs.10,000 by cheque.

Jan 5: Bought goods worth Shs.70,000 by cheque and was given 3.5% cash discount.

Jan 9: Paid for water Shs.10,000 cash and Shs.5,000 by cheque.

Jan 14: Paid Kipchoge's account of Shs.40,000 in cash less 2% cash discount.

Jan 15: Received a cheque of Shs.57,300 from Atieno after allowing her a cash discount of 4.5%.

Jan 20: Sold goods to Johnnie for Shs.70,000 received Shs.10,000 cash, Shs.40,000 by cheque and the rest to be paid later.

Jan 25: Johnnie settled his account less 2% cash discount and the money was received in cash.

Prepare a three-column cash book duly balanced on 25th Jan 2012. (10mks)