

2017 KCSE JKIM joint examination Test

Business paper 2 Question paper

Answer ANY 5 questions from this section in the space provided.

1. (a) explain five challenges that may be faced when comparing standards of living between countries that have the same amount of national income? (10marks)

b) discuss five reasons why Kenyan government encourages the development of micro-business enterprise. (10marks)

2a) explain five ways in which the central bank acts as a banker to the government. (10marks)

b) discuss five external business environments that may positively affect the performance of the business. (10marks)

3a) explain four indicators that show that a country has undergone economic development. (10marks)

b) discuss five ways of controlling demand pull inflation. (10marks)

4a) Describe five channels that a local manufacturer may use in distributing his goods in home trade. (10mks)

(b) The following information relates to Naomi Enterprises for the period ended 30<sup>th</sup> June 2011.

Details

Turnover	Shs 270,000
Margin	40%
Rate of stock turnover	6times
Expenses	Shs 50,000

As calculate:

(i) Mark-up fraction. (2mks)

(ii) Gross profit. (2mks)

(iii) Cost of sales. (2mks)

(iv) Average stock. (2mks)

(v) Net profit. (2mks)

b) explain five circumstances under which face to face communication is appropriate. (10marks)

5a) explain five functions of commercial banks. (10marks)

b) Akinyi wants to insure her house against fire. Describe to her procedures she will have to follow in order to obtain an insurance cover. (10marks)

6a) Musa is a student who wants to study business for his future career. Explain to him five career opportunities open to him. (10marks)

(b) Use the following transactions relate to Sharon manufacturers use it to prepare a cash receipt journal and post them to the relevant ledger account. (10mks)

July 1st: Received cash from Mchuka sh. 1,000 receipt No. 001

July 2nd: vaseti paid his debt of sh. 2,400 by cheque No. 003 less a cash discount 5%.

July 3rd: Cash sales sh. 4,200 receipt No. 004

July 4th: Cash sales sh. 7,800 receipt No. 005

July 5th: Cash sales sh. 10,000 receipt No. 10

July 6th: Received cheques from the following debtors: vaseti sh. 5000, Kimanzi sh. 7200,

Mwezi sh. 9,000, having given each cash discount of 10%.