

2017 KCSE JKIM joint examination paper

Business paper 2 Question paper

Answer ONLY FIVE questions in this section in the space provided

1a) Explain five benefits that may be realized by a country as a result of government policy to relocate industries in rural areas. (10mks)

b) Explain five functions of the central bank. (10mks)

2a) By use of a diagram, explain the effects of excess supply on quantity supplied and quantity demanded. (10mks)

b) outline five reasons why a firm may locate in urban centers. (10mks)

3a) Explain five ways in which the government may regulate business activities. (10mks)

b) Explain five measures that the government may use to reduce inflation. (10mks)

4a) state and explain five differences between public and private warehouses. (10mks)

b) explain five essential of a good warehouse. (10mks)

5a) Explain five reasons why an individual may hold money for unforeseen circumstances. (10mks)

(b) The following information relates to Ingo Traders as at 31st December 2006.

Details Shs.

Purchases 400,000

Stock 1-1-2006 150,000

Stock 31-12-2006 50,000

Mark up 25%

Expenses 40% of Gross profit

Calculate:

(i) Turn over (4mks)

(ii) Net Profit (3mks)

(iii) Rate of Stock turnover (3mks)

6a) Explain five ways in which filling of documents facilitate smooth running of an office. (10mks)

b) (b) The following information was obtained from the books of ocampo traders for the year ended 31st Dec. 2012.

Details

Shs.

Purchases for the year 500,000

Carriage inwards 100,000

Capital	1,200,000
Sales	900,000
Total expenses	195,000
Stock on 1 st Jan 2012	50,000
Returns outwards	40,000
Stock on 31 st Dec 2012	110,000
Total creditors	45,000
Debtors	40,000
Returns inwards	55,000

- (a) Calculate the cost of goods sold. (2mks)
- (b) Gross profit. (2mks)
- (c) Margin %. (2mks)
- (d) Rate of stock turn over. (2mks)
- (e) Rate of return on capital. (2mks)