

**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 drawbacks of cartels to consumers. (10mks)

b) discuss five measures that a country may take to ensure proper development planning. (10mks)

2a) explain five circumstances under which oligopoly market structure may arise. (10mks)

b) discuss any five negative effects of free trade to a country. (10mks)

3a) explain five reasons why the government may control importation of a certain products. (10mks)

b) explain five ways in which the central bank control inflation. (10mks)

4a) although public corporations are doing badly, the government is still interested in running them. Explain five reasons why this is so. (10mks)

(b) The following information relates to odyssey enterprises for the month of June 2011.

1<sup>st</sup> June credit purchases from Kalembe received invoice no. 10 Shs.38000.

3<sup>rd</sup> June purchased goods on credit from Wetangula, Shs.60000 and received invoice no. 11.

5<sup>th</sup> June returned goods to Kalembe received credit note no. 24 Shs.5600.

20<sup>th</sup> June purchase returns to Wetangula, credit note no.42, Shs.10000.

30<sup>th</sup> June credit purchases from Wetangula, invoice no.18, Shs.5000

(i) Enter the information in the relevant journal(s). (5mks)

(ii) Post the information to the relevant ledger accounts in the ledgers. (5mks)

5a) describe five indicators of under development. (10mks)

b) explain five current trends in product promotion. (10marks)

6a) Explain five drawbacks of Short Message Service (SMS) in mobile telephones. (10marks)

(b) On 1st June 2010, Ngamire Traders had cash in hand shs. 87,000 and cash at Bank sh. 250,000.

During the month, the following took place:

June 2: Cash sales sh. 50,000 issued a receipt No. 063

“ 3: Paid salaries and wages shs. 101,500 by cheque, cheque No. 083

“ 6: Received a cheque for shs. 76,800 from Kemunto, after allowing her a cash discount of 4%. Receipt No. 064

“12: Settled Omwambi’s account of shs. 40,000 in cash having deducted sh. 800 cash discount. Receipt No. 0656.

“18: Withdrew shs. 30,000 from bank for office use.

"21: Received shs. 16,500 cash from Mwikali in settlement of his account less sh. 600 cash discount. Receipt No. 065.

"22: Bought office furniture by cheque shs. 85,000. Receipt No. 734

"23: Withdrew sh. 5000 cash for private use.

"28: Paid wages sh. 24,000 in cash receipt No. 801

"30: Received a cheque for shs. 150,000 in respect to cash sales. Receipt No. 066.

Required:

(i) A cash receipt journal (5mks)

(ii) A cash payment journal. (5mks)