

**2017 KCSE JKIM joint examination paper**

**Business paper 2 Question paper**

**Answer ONLY FIVE questions in this section in the space provided**

1a) in most secondary's schools in the country, members of staff are accommodated in one large room. Explain five short comings associated with this kind of arrangement. (10maks)

b) Explain five circumstances that can lead to the termination of insurance policy. (10maks)

2a) Explain five ways in which the government may regulate business activities (10maks)

b) Discuss five differences between public and private warehouse (10maks)

3a) Explain five factors that affects the rate of births in Kenya (10maks)

b) Discuss five main features of a good money material (10marks).

4a) the following balances were extracted from the books of Mwamoturi General stores on 31st December 2012

Details.	Shs
Capital	4,000,000
Sales	180,000
Purchases	210,000
Opening stock (1.1.2012)	20,000
Closing stock (31.12.2012)	10,000
5 years bank loan	100,000
Salaries and wages	40,000
Insurance expenses	10,000
General expenses	25,000
Debtors	35,000
Creditors	22,500
Rent income	50,000
Commission received	15,000

## Required

(i) Prepare a trading, profit and loss account for the year ended 31st December 2012. (6mks)

(ii) Calculate

i). Mark up ( 1 ½ marks) Current ratio ( 1 ½ marks)

ii). Rate of stock turn over (1 ½ marks)

iii). Rate of return on capital ( 1 ½ marks)

(b) Discuss four reasons why a government may impose more taxes some commodities (8mks)

5a) explain five importance of business plan to an entrepreneur (10marks)

b) Explain five ways in which the government may regulate business activities in Kenya (10marks)

6a) explain five ways in which commercial banks help in facilitating business activities in country. (10marks)

b) The following information relates to Mauro Traders for the month of January 2014.

2014

1<sup>st</sup> Jan: Bought goods on credit from Mwatate sh. 40,800 Rongi sh.36, 380.

5<sup>th</sup> Jan: Credited sales to Okumbi sh. 68,720 Tumo sh. 46,200

7<sup>th</sup> Jan: Returned goods to Rongi sh: 4,200 Mwatate sh. 2050

12<sup>th</sup> Jan: Bought goods on credit from Mawe sh. 16,500.

15<sup>th</sup> Jan: Credited sales to Motomoto sh.37, 100; Netto sh.7950.

20<sup>th</sup> Jan: Goods returned by Motomoto sh.1, 900.

(I) enter the above transactions in respective books of original entry,

(ii) Prepare general ledger extract. (10mks)