

**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 roles played by the world bank in assisting development of third world countries like Kenya improve their economies (10marks)

b) Explain five ways in which you can improve the productivity of labour as a factor of production (10marks)

2a) Explain five current trends in international trade. (10marks)

b) Briefly explain five disadvantages of cartels to consumers. (10marks)

3a) Explain five reasons why government controls imports (10marks)

b) (a) The following information was extracted from Kimanzi books of account.

Stock (31/12/2013) 120,000

Creditor's shs.100, 000

Net sales shs.708, 000

Net purchases shs.640, 000

Indirect expenses Shs. 8,000

Bank overdraft shs.80, 000

Stock (1/1/2013) shs.80, 000

Capital shs.500, 000

Bank shs.180, 000

Debtor's shs.140, 000

Cash shs.40, 000

Required.

(i) Working capital.

(ii) Mark-up percentage

(iii) Rate of stock turnover

(iv) Current ratio

(v) Rate of return on capital. (10mks)

4a) Illustrate diagrammatically the differences between shift in demand curve and movement along a demand curve (10marks)

b) Most of Africans top professionals do not work in the continent but work in the “Diaspora.” What measures would the individual countries use to prevent “Brain drain” (10marks)

5a) Explain five ways that the central bank may employ to control inflation. (10marks)

b) Discuss five circumstances under which oligopoly market structure may arise, (10marks)

6a) Explain five contributions of entrepreneurs in the production of goods and services. (10marks)

b) The following information relates to Mambo business for the month of March 2016.

2<sup>nd</sup> March, Bought goods on credit from James traders Ksh. 340,000

(invoice No 24)

3<sup>rd</sup> March, Sold goods on credit to Mwaura Traders Ksh. 800,000 (invoice No 28)

4<sup>th</sup> March, Retained goods to James traders Ksh. 300,000 (credit Note No 50)

10<sup>th</sup> March, Sold goods on credit to Rehab wholesaler’s kshs620, 000 invoice no 29)

13<sup>th</sup> March, Purchased a motor van on credit from CMC motors ksh... 1000,000

15<sup>th</sup> March, Salah wholesalers returned stock worth sh 19000 (credit note no.10)

18<sup>th</sup> March Bought stock on credit from Wendi traders ksh 120,000 (invoice no 35)

20<sup>th</sup> March, Maua returned stock valued ksh 5000 (credit note no 11)

25<sup>th</sup> March, Returned stock to Wendi traders ksh 8000 (credit note no 306)

Required:

post the above information in the relevant journals.(10mark)