

**2017 KCSE JKIM joint examination paper**

**Business paper 2 Question paper**

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

1a) Discuss five negative effects of inflation in an economy (10marks).

b) many small business in Kenya have expanded and grown into large enterprises since 2005.Explain five causes of business success in kenya(10marks).

2a) john and Jane were having a conversation between them but at most times there did not understand each other well. explain five factors that may hinder effective communication(10marks).

b) Explain five measures that the government may use to curb undesirable levels of inflation (10marks).

3a) Discuss five advantages of bonded warehouse to the government(10marks).

b) The following trial balance was extracted from the books of Kimemia Enterprises for the year

ended

31/12/2014.

**KIMEMIA ENTERPRISES**

**TRIAL BALANCE**

**AS AT 31ST DEC. 2014**

details	DR(SHS)	CR(SHS)
Capital		250,00
Drawings	33,000	
Opening stock	47,000	
Purchases	300,000	
Sales.		342,000
Returns inward	4,000	
Returns outward.		7,000
Carriage outward	10,000	
Carriage inward	28,000	
Discount allowed	4,000	
Furniture	25,000	
Motor vehicle	145,000	
Creditors.		55,000
Discount received.		92,000
Premises	100,000	
debtors	50,000	
	746,000	746,000

Closing stock was valued at Shs 55,000 while depreciation on motor vehicles was Shs 15,000

Required:

(i) Trading and profit and loss account for the year ended 31st Dec. 2014.

(ii) Balance sheet as at 31st Dec. 2014(10 marks)

4a) Draw five differences between partnership and a public limited company(10marks).

b) Explain five importance of business plan entrepreneurs (10marks).

5a) Under what circumstances would an office manager replace existing machine with a modern one (10marks).

b) Discuss five benefits of government involvement in business (10marks).

6a) Explain five advantages of using sales person in promoting a product (10marks).

b) On 1st February 2010, Juma traders had cash in hand of Shs.10, 000

and cash at bank of Shs.15, 000. The following transactions took place during the month.

Feb 2: Bought goods in cash Shs.1, 500. Feb 5: Received cheques from the following debtors after allowing a 2% discount in each case Luka Kshs.980 and Rajah Shs.1, 470.

Feb 7: Paid the following accounts by cheque in each case deducting a 5% discount Milo Shs.3, 000 and Mango Kshs.1, 200.

Feb 12: Jambi settled her account of Kshs.2, 000 in cash and deducted 2% cash discount.

Feb 14: Cash sales Shs.2, 000.

Feb 15: Received cash from Abdul Shs.2910 after having allowed him a 3% cash discount.

Feb 16: Banked all the cash a part from Shs.1, 000.

Required:

Prepare a three column cashbook and balance it off. (10 marks)

