

**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 to a business that adopts an enclosed office layout.. (10marks).
- b) Describe five factors that contribute to increasing rate of inflation in Kenya today. (10 marks)

2a) Explain five characteristics of human wants. (marks)

b) Discuss five contributions of commercial banks in Kenya (10marks)

3a) The following information relates to Mauro Traders for the month of January 2014.

2014

Jan 1st: Bought goods on credit from Mwatela sh. 40,800 Longi sh.36, 380.

5th: Credited sales to Okumbi sh. 68,720 Tumo sh. 46,200

7th: Returned goods to Longi sh: 4,200 Mwatela sh. 2050

12th: Bought goods on credit from Mane sh. 16,500.

15th: Credited sales to Gabi sh.37, 100; Newton sh.7950.

20th: Goods returned by mane sh.1, 900.

(i) Enter the above transactions in respective books of original entry (6marks)

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

b) Explain the meaning of the following forms of advertising (4mks)

(i) Celebrity advertising

(ii) Product advertising

4a) 3a) Explain five types of unemployment that are common in Kenya (10marks)

b) Explain five differences between public corporation and public limited company (10mks)

5a) State and explain five positive effect of micro-environment on the performance of a business (10marks)

b) Explain five roles that the insurance industry plays in the economy. (10marks).

6a) Describe five methods a country can apply to correct her deficit balance of payments disequilibrium.  
(10 marks)

b) The following balances were extracted from the books of accounts of Mambo Leo Enterprises as at 31st December 2010.

Details	Shs
Stock (31st December 2010)	294,600
Carriage outwards	20,000
Carriage inwards	31,000
Return outwards	32,200
Purchases	1,187,000
Sales	1,851,000
Discounts received	19,000
Salaries and wages	362,800
Discounts allowed	30,400
Insurance	36,800
Stock (1st January 2010)	236,000

Required

Prepare the trading, profit and loss account for the year ended 31st December 2010.

(10 marks)

