

**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 principle of public expenditure (10marks).

b) Explain five advantages enjoyed by customer who utilizes M-banking (10marks).

2a) Unemployment is one of the major problem facing Kenyan youths, explain five measures that the government may take to solve this problem (10marks).

b) Explain five features of good money (10marks).

3a) Discuss five strategies that can be used by the government to control inflation (10marks).

b) Kalawao Traders had the following balances as at 31st 03.2013

Details	Sh.
Capital	20,000
Sales	240,000
Purchases	90,000
Closing stock (31st 03.2013)	70,000
7 years bank loan	30,000
General Expenses	12,000
Insurance	25000
Debtors	25,000
Cash at bank	20,000
Creditors	75,000
Cash at hand	10,000
Premises	95,000

Additional information:

Stock 1.4.2014      Shs. 160,000

Calculate:

- (i) Mark – up
- (ii) Margin
- (iii) Rate of stock turn – over
- (iv) Current ratio (10 marks)

4a) Explain five ways in which commercial banks help in facilitating business activities in the country (10marks).

b) Discuss five circumstances that would make a firm locate near the market for its products (10marks).

5a) Explain five reasons why business find it necessary to promote their products (10marks).

b) Explain five differences between gambling and insurance. (10marks)

6a) Describe five uses of national income statistics. (10marks)

b) On 1st July 2014, 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.

July 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 Reba Shs.1, 470.

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

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

July 14: Cash sales Shs.2, 000.

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

July 17: Bought stock worth Shs 12,500 on credit.

July 19: Received cash from Jonah shs.3500 in cash after deducting 5% cash discount.

July 21: Banked all the cash a part from Shs.1, 500.

Required:

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

