

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 important of Entrepreneurship to an economy. (10 marks)

b) Explain five circumstances under which a business person would prefer written Communication. (10 marks)

2a) Outline five benefits of the “pooling of risks” to an insurance company. (10 marks)

b) Explain five ways in which consumers are likely to benefit from International trade. (10mks)

3a) Explain five tools of monetary policy used to curb inflation. (10mks)

b) The following transactions for the month of June 2013 were extracted from the books of Kondoni Retail Traders

June 1st Received invoice number 122 valued Ksh. 10,000 from Onyango

June 5th Received invoice number 345 worth Ksh. 8,400 from Pando Traders.

June 16th Received invoice number 207 worth Ksh. 15,000 from Basho Traders.

June 26th Received invoice number 500 from Kurashiki Traders worth Ksh. 6,500

Required:

i) Prepare the relevant journal for Kondoni Retail Traders. (5 marks)

ii) Post the transactions to the relevant ledger accounts for Kondoni Retail Traders and balance off the ledger accounts. (5marks)

4a) Explain five precautions that a drawer can take in order to ensure that his cheques

Do not bounce. (10mks)

b) Explain five factors that may inhibit implementation of development plan in a country. (10mks)

5a) Explain five services offered by commercial banks to their customers. (10 marks)

b) Explain five factors that influence the choice of a distribution channel. (10 marks)

6a) Explain five factors that may inhibit implementation of development plan in a country. (10mks)

b) The following information was extracted from Kimono books of account.

Details	Shs
Opening stock	80,000
Net sales	708,000
Net purchases	640,000
Indirect expenses	8,000
Bank	180,000
Bank overdraft	80,000

Creditors	100,000
Debtors	140,000
Capital	500,000
Cash	40,000
Closing stock	120,000

Required:

- (i). Working capital.
- (ii). Rate of stock turnover
- (iii). Mark-up percentage
- (iv). Margin percentage.
- (v). Rate of return on capital. (10mks)