**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**OCT/NOV- 2013**

**TIME: 2 ½ HOURS**

***Kenya Certificate of Secondary Education (K.C.S.E.)***

**Business Studies**

**Paper 2**

**INSTRUCTIONS TO CANDIDATES:**

* *This paper consists of* ***six*** *questions*
* *Answer any* ***five*** *questions.*
* *Write your answers in the answer booklet provided*
* ***All*** *questions carry equal marks*

*This paper consists of 2 printed pages. Candidates should check to ascertain that all papers are printed as indicated and that no questions are missing*

1. (a) Descriibe **five** differences between open plan and portioned office layout (10mks)

 (b) Explain **five** advantages of using credit cards as a means of payment (10mks)

2. (a) Explain **five** characteristics of human wants (10mks)

 (b) The following balances were extracted from the books of Wendo Traders on 31st July, 2013

 Ksh

 Stock 28,000

Bank overdraft 15,000

Machinery 30,000

Cash in hand 4,000

Creditors 26,000

Furniture 2,000

Debtors 26,000

Motor vehicle 70,000

Premises 120,000

Loan from equity Ltd 140,000

Rent not yet paid 5,000

 Prepare a balance sheet from the above information showing

 (i) Fixed assets

 (ii) Current Assets

 (iii) Current liabilities

 (iv) Long-term liabilities (10mks)

3. (a) Discuss **five** factors tat may promote entrepreneurship in Kenya (10mks)

(b) With the aid of a diagram, explain the effect of an increase in demand when the supply of a commodity remain constant. (10mks)

4. (a) Discuss **five** factors that may lead to a low level of national income of a country (10mks)

 (b) Describe **five** types of ledgers (10mks)

6. (a) Give **five** types of unemployment in an economy and explain the cause for each (10mks)

 (b) Discuss **five** measures that the government may take to encourage the setting up of

industries in rural areas (10mks)