**COUNTY LINK GROUP**

**COMMON EXAMINATION**

**END OF TERM II FORM 4 -2017**

**NAME ……………………………………………………… ADM NO…………………………………**

**SCHOOL …………………………………………………… .SIGN …………………………………...**

**DATE…………………………………………………………………………………………………….**

**BUSINESS STUDIES**

**JULY 2017**

**PAPER 565/2**

**2HOURS**

**Instructions to candidates:**

* Write your name and index number in the space provided above.
* Sign and write the date of examination in the space provided above.
* This paper consists of 6 questions
* Answer **ANY FIVE** questions.
* Write your answer in the answer sheet provided pages
* This paper consist of 3 printed pages
* All questions carry equal marks
* Candidates should ensure all questions are printed

|  |  |  |
| --- | --- | --- |
| Question | Maximum score  | Candidate’s score  |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |
| 6 |  |  |

1. (a) Explain five measures an entrepreneur may take to improve the internal environment of a business (10mks)

(b) Ndungu hardware dealers had the following trial balance at 31/12/2015.

|  |  |  |
| --- | --- | --- |
| Account  | Debit  | Credit  |
| Stock (1/1/2015)DiscountReturns Equipment Motor vehiclesDebtors/ creditors Purchases /salesCarriage inwards Carriage outwardsLighting Insurance RepairsCapital Banks  | 80,20020,8003,000,0005,890,000316,8001,120,00040,00012,70040,00060,700230,00010,811,200 | 750012,600775,4001,880,0008,110,00025,70010,811,200 |

Closing stock was valued at Ksh. 55,000.

Required:

1. Trading, profit and loss account for the years ended 31/12/2015. (8mks)
2. Return on capital owned (2mks)
3. (a) Explain five factors that contribute to a high national income (10mks)

(b) (Explain five advantages of public limited companies. (10mks)

1. (a) Explain five differences between an obligatory and a perfectly competitive market. (10mks)

Explain five measurers you would recommend to be adopted in lowering level of unemployment in Kenya. (10mks)

1. (a) Explain five functions of an office in an organization. (10mks)

(b) Explain five principles of a good tax system.

 5. Explain five factors that may cause a shift in the supply curve of sugar to the left (10mks)

(b) Discuss five positive contributions the central bank may make in economy development of Kenya. (10mks)

6. (a) Explain four measures the government can take to correct her balance of payment deficit.

(b) The following were balances brought down in books of Taifa retailers as at 1/1/2016:

 Sh.

Land and buildings 1,500,000

Capital 1,910,000

Kiptoo (A debtor) 60,000

Cash 150,000

Bank 200,000

Transaction for the first five days of January

2016 were:

Jan 2 : Bought stock by Cheque Ksh. 52,000

Jan 3: Kiptoo paid Ksh. 40,000 in cash

Jan 5: Sold a section of business land costing Ksh. 300,000 at Ksh. 500,000 receiving a Cheque of Ksh. 500,000.

Required: dully balanced ledge accounts showing all transactions as at Jan 5 2016 (12mks)