

# KCSE 2017 JKIM JOINT EXAMINATION

*Kenya certificate of secondary education (K.C.S.E)*

NAME.....

INDEX NO.....

SCHOOL.....

SIGNATURE.....

DATE: .....

565/2

**BUSINESS STUDIES**

**Paper 2**

**Time: 2 ½ hours**

### INSTRUCTIONS TO CANDIDATES

1. Write your name, school and index number in the spaces provided above.
2. Sign and write the date of the examination in the spaces provided above.
3. This paper consists of **six** questions.
4. Answer **any five** questions in the spaces provided.
5. Each question carries **20** marks.
6. This paper consists of **2** printed pages.
7. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

### FOR EXAMINER'S USE ONLY

QUESTIONS	1	2	3	4	5	6	TOTAL SCORE
CANDIDATE'S SCORE							

1a) Explain **five** factors that influences the choice of a mean of communication.(10 marks)

b) The county government of county x has invested a lot in development of fider roads. Explain five ways through which an efficient road transport promotes trade. (10 marks)

2a) explain five services offered by central bank to other financial institutions.(10 marks)

b) Describe five method of advertisement.(10 marks)

3a) b) the following information relate to Job traders for the year ended 31<sup>st</sup> Dec 2010

<b>details</b>	<b>Shs</b>
Purchases	150,000
Sales	300,000
Opening stock	60,000
Salaries / wages	17,000
Current liabilities	2,000
Rent	15,000
Insurance	8,000
Capital	210,000
Creditors	6,000
Drawings	2,000
Current assets	10,000
Closing stock	10,000

i. Prepare a trading and profit/ loss account for the year ended 31/12/2010.

ii. Calculate;

a. Current ratio

b. Rate of stock turnover

c. Margin percentage

*Markup* decimal (12 marks)

3b) outline four causes of underdevelopment in countries like Kenya.(8 marks)

4a) explain five hindrances to effective communication. .(10 marks)

b) Explain **five** reasons that may necessitate a country to adopt trade protectionism measures.  
(10 marks)

5a) (a) Explain five ways in which consumers are likely to benefit from International trade.(10 marks)

b) Explain five limitations of debentures as a source of capital for a company.(10 marks)

6 (a) the following information was extracted from the books of Jamesly Traders on 31<sup>st</sup> December 2011.

<b>Details</b>	<b>Sh</b>
Land and buildings	640,000
2 year loan	250,000
Motor vehicles	400,00
Furniture	70,000
3 year bank loan	360,000
Debtors	82,000
Creditors	95,000
Bank overdraft	67,000
Cash in hand	35,000
Capital in hand	490,000
Net profit	40,000
Stock	75,0000

**Required:**

(i) Prepared Jamesly Traders balance sheet as at 31<sup>st</sup> December 2011. Clearly showing Fixed assets, current assets, long-term liabilities and current liabilities. (6 marks)

(ii) Calculate: ·

Working capital (1 mark) ·

Capital employed (1 mark)

Borrowed capital (1 mark) ·

Return on capital (1 mark)

b) Highlight five ways in use of containers in sea transport enhance security of cargo.(10 marks)

