

# 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							

1. (a) Explain five services offered by commercial banks to their customers. (10 marks)
  - (b) Explain the role of stock exchange market in the Kenyan economy. . (10 marks)
  
2. (a) outline five benefits of localization to a country's economy. (10 marks)
  - (b) Explain five benefits that may accrue to a business organization which expands its scale of operation. . (10 marks)
  
3. (a) (an Explain five factors that may inhibit implementation of development plan in a country. (10 marks)
  - (b) Explain five tools of monetary policy used to curb inflation. (10 marks)
  
- 4 (a) Mambo Leo traders had the following transactions during the month of November 2011:
  - Nov: Sold goods to Waweru sh 800,000, John Sh 5,000 and Owity sh 700,000 on credit.
  - Nov 4: Bought goods from kabii sh 150,000, Jane sh 20,000 on paid by cheque.
  - Nov 5: Sold goods on credit to Marcy sh 12,000, Sharon sh 15,000, peter sh 900,000.
  - Nov 6: Sold goods to Luanda sh 400,000. Paid by cash.
  - Nov 7: purchase goods from kirwa Shs 4,000, Weru Shs 15,000 and Waweru Shs 23,500 on credit.
  - Nov 9: goods worth Shs 200,000 were returned by John and goods worth Shs 3,000 were returned by Owity.
  - Nov 10: credit purchases Shs 34,600 from Justine enterprise.
  - Nov 12: purchases return of Shs 5,000 and Shs 50,000 from Marcy and Owity.
  - Nov 14: sold goods on credit to James Shs 43,000, job Shs 32,000 and jimmy Shs 28,000
  - Nov 16: sold goods to kirwa Shs 12,000 and Jonah Shs 48,900. Paid by cheque.
  - Nov 19: sales worth Shs 5,000, Shs 2,300 and Shs 4,300 were returned by jimmy, James and job respectively.
  - Nov 21: cash sales of Shs 34,000 to Pk enterprise
  - Nov 25: more purchases worth Shs 12,000 and 42,500 from Waweru and John respectively.
  - Nov 28: bought goods worth Shs 4,500 from Jane, Shs 5,800 Wanja and Shs 67,000 from Mary paid in cash.

Required:  
Enter the above transaction in the relevant journals. (12marks)

  - (b) Explain four effects of a declining population to an economy. . (8 marks)
  
5. (a) With an aid of a diagram explain how price is determined through price mechanism. . (10 marks)
  - (b) explain five sources of monopolistic power. (10 marks)
  
6. (a) The following transitions took place during the month of January 2010.

**2015**

Jan 2: Bought stock worth sh 50,000 n credit

Jan 3: Cash sales sh 80,000

Jan 5: Received sh 20,000 cash from debtors

Jan 10: Paid part of loan sh 70,000 cash

Jan 12: Paid creditors sh 52,000 cash

Jan16: Bought office furniture sh 45,000

Jan 20: Paid salaries sh 40,000 cash

Jan 25: Deposited sh 100,000 into the bank

**Required:**

Record the above transactions in the relevant ledger accounts and balance the account on 31st January 2015. (10 marks)

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

