

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 circumstances under which a producer would prefer to sell his product directly to the consumer. (10 marks)

(b) Describe the procedure of obtaining an insurance claim. (10 marks)

2. (a) Explain five features of a hypermarket. (10 marks)

(b) Explain five drawbacks of indirect taxes. (10 marks)

3. (a) The following transactions relate to xyz wholesalers for the month of December 2008.

Dec. 1 Bought goods on credit from Waka Distributors sh.46, 200, Mack sh15, 600 and Limo shs38, 360.

3 Sold goods on credit to Landau Retailers shs.39, 200, Motor Grocers sh.25, 560 and Mane shs.12, 650.

7 Returned goods to Mack sh4, 200 and Limo shs6, 140.

11 Bought goods on credit from Tukita sh34, 830.

12 Goods returned by motor Grocers sh4, 550 and Landau Retailers sh1, 280.

15 Sold goods on credit to Motor Grocers shs6, 800, Marion trader's shs12, 800.

18 Goods returned by Marion Traders shs2, 060.

22 Bought goods on credit from Fatuma shs22, 100, Timo shs38, 350.

28 Credit sales to Nula shs16, 060, Young shs12, 960 and Mane shs15, 260.

Enter the above transaction in the respective books of original entry

(b) Explain five negative effects of inflation to a country's economic development (10 marks)

4. (a) Explain five benefits of containerization in transport sector (10 marks)

(b) explain five benefits of indirect production to a country (10 marks)

5(a)) Explain five emerging issues in office practice today. (10 marks)

(b) outline five factors that facilitate entrepreneurial development in an economy. (10 marks)

6. (a) 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 Pendo Traders.

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

Do not balance off the ledger accounts. (5marks)

(b) Describe the process leading to the start of a business by an entrepreneur (10 marks)

