**NAME ………………………………………………………INDEX NO……………………………**

**SCHOOL………………………………………………………SIGNATURE………………………**

**565/2**

**BUSINESS STUDIES**

**PAPER 2**

**AUGUST/SEPTEMBER**

**TIME: 2 HOURS**

**RARIEDA SUB-COUNTY POST MOCK JOINT EXAMS 2016**

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

**Instructions**

*(a) This paper consists of* ***six*** *questions.*

*(b) Answer any* ***FIVE****Questions.*

*(c) Write your answers in the answer booklet provided.*

*(d)* ***ALL*** *Questions carry equal marks.*

**For examiner’s use only**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **1** | **2** | **3** | **4** | **5** | **6** | **Total** |
| **Marks** |  |  |  |  |  |  |  |

***This paper consists of 2 printed pages.***

1. (a) Explain **FIVE** ways a sender of a message can ensure it is received effectively. (10 mks)

(b) Outline **FIVE** reasons why a bank may dishonour a cheque. (10 mks)

2. (a) Identify **FIVE** reasons for the popularity of hawking as a form of business activity in Kenya.

(10 mks)

(b) Highlight **FIVE** factors a trader would consider before giving credit to a customer. (10 mks)

3. (a) Explain **FIVE** reasons for the importance of commercial banks in an economy. (10 mks)

(b) Describe **FIVE** ways a company may acquire monopoly status. (10 mks)

4. (a) Highlight **FIVE** documents used in home trade and their uses. (10 mks)

(b) Explain **FIVE** factors that may cause a demand curve to shift to the right. (10 mks)

5. (a) Identify **FIVE** characteristics of land as a factor of production. (10 mks)

(b) Identify **FIVE** rules and regulations that may be highlighted in an Articles of Association. (10 mks)

6. (a) Identify **FIVE** problems a country with a big percentage of a young population may face.(10 mks)

(b) The following balances were extracted from the books of Fuatana Traders on 31st August 2013.

Sales 120,000

Stock 1.9.2012 3,500

Purchases 82,000

Carriage out 2,500

General expenses 26,000

Lighting and heating 1,200

Wages 24,000

Carriage in 3,000

Stock 31.8.2013 2,400

Capital 106,000

Creditors 60,000

Equipment 45,600

Debtors 55,700

Cash at bank 30,000

Cash in hand 12,500

**Required**

1. Prepare a trading and profit and loss account for the year ended 31st August 2013. (6 marks)
2. A balance sheet as at the same date. (4 marks)