

**3.29.2 Business Studies Paper 2 (565/2)**

1. (a) Explain **five** measures that the government may take to solve youth unemployment in Kenya. (10 marks)
- (b) Explain **five** reasons for consumer protection. (10 marks)
2. (a) Explain **five** principles of Government spending. (10 marks)
- (b) Explain **five** trends in office management. (10 marks)
3. (a) Post the following transactions to the relevant ledger accounts and balance them off.
 

Closing	1/3/2018	–	Started a business with Ksh 100,000 at the bank.	
Signature	2/3/2018	–	Bought a motor vehicle worth Ksh 800,000 on credit from General Motors.	
Name of the	4/3/2018	–	Withdrew Ksh 20,000 from bank for office use.	
Center	6/3/2018	–	Bought stock worth Ksh 30,000 paying by cheque.	
Reference	10/3/2018	–	Made cash sales of Ksh 15,000.	
Ability in a variety of	10/3/2018	–	Took cash Ksh 8,000 to pay hospital bills.	(10 marks)
- (b) Explain **five** benefits of intermediaries to the consumer in the chain of distribution. (10 marks)
4. (a) Explain **five** benefits of a savings account to a customer. (10 marks)
- (b) Explain **five** ways in which a warehouse may promote trade. (10 marks)

5. (a) The following is an extract of a trial balance from the books of Adan Traders as at 31 December 2018.

**Adan Traders**  
**Trial Balance as at 31 December 2018**

Details	Dr.	Cr.
Premises	1,120,000	
Debtors and creditors	55,000	37,300
Cash in hand	65,000	
Cash at bank	80,000	
Discounts	15,000	2,400
Salaries and wages	27,000	
Commission	16,600	9,000
Power and lighting	11,700	
Furniture	49,000	
Capital		1,301,800

**Additional information:**

Stock of goods on 31 December 2018	Ksh 25,000
Gross profit	Ksh 120,000

**Required:**

- (i) Prepare Adan Traders Profit and Loss Account for the period ended 31 December 2018. (5 marks)
- (ii) Prepare a Balance Sheet as at 31 December 2018. (5 marks)
- (b) Explain **five** benefits of communication to a business. (10 marks)
6. (a) Explain **five** reasons that may make it necessary for the government to promote entrepreneurship. (10 marks)
- (b) Explain **five** advantages of indirect production to the society. (10 marks)