

BUTULA SUB COUNTY JOINT EVALUATION TEST

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2 ½ HRS

DECEMBER 2021

NAME.....

INDEX No.....

DATE.....

CANDIDATES SIGNATURE.....

INSTRUCTIONS TO CANDIDATES

1. Write your name, index number and school in the spaces provided above.
2. Sign and write the date for examination in the spaces provided above.
3. Answer ANY FIVE questions in the booklet provide.
4. All the questions carry equal marks.
5. Candidates should check the question paper to ascertain that all pages are printed as indicated and that no questions is missing.
6. Candidates should answer the questions in English.

FOR EXAMINER'S USE ONLY

QUESTION	MAXIMUM SCORE	CANDIDATES SCORE
1.	20	
2.	20	
3.	20	
4.	20	
5.	20	
Total	100	

1. (a) Explain **five** ways in which a computer may be used in an office. (10mks)

(b) The following information was extracted from the books of Ras Kimono as at 31 Dec. 2016.

ITEM	DR	CR
Sales		1,000,000
Return Inwards	10,000	
Premises	500,000	
Purchases	650,000	
Discounts		9,000
Creditors		60,000
Capital		487,500
General expenses	30,000	
Drawings	20,000	
Salaries	90,000	
Rent Expenses	23,500	
Stock at 31 Dec 2016	25,000	

Required:

- (i) Prepare Trading, Profit and Loss Account for the year ended 31 Dec. 2016. (8mks)
- (ii) Calculate the margin. (2mks)
2. (a) Explain **five** circumstances under which a business person may use air transport. (10mks)
- (b) Explain **five** causes of unfavourable balance of payment for most developing countries. (10mks)
3. (a) Outline **five** principles of an efficient tax system. (10mks)
- (b) Describe **five** types of partners in business formation. (10mks)
4. (a) Explain **five** ways in which a country may reduce the level of unemployment. (10mks)
- (b) Highlight **five** factors that can make a business to be successful. (10mks)

5. (a) Explain **five** sources from which a business organization may gain monopoly power. (10mks)

(b) The following information relates to Kazi Nzuri retailers for the month of June 2019.

- June 1: Balance brought down; Cash shs. 180, 000, bank shs 450,000(cr)
June 3: Received a Cheque of 1,500,000 from Malone a debtor
June 7: Cash sales shs 280,000
June 11: Joy a creditor settled her account of shs 60,000; shs 40,000 by Cheque and the balance in cash
June 14: Received commission in cash sh150, 000
June 17: A debtor Lelu, paid his account of 185,000 by cheque less 2% cash discount
June 19: Paid the following expenses by Cheque
 Rent shs.75, 000
 Electricity shs 32,000
 Insurance shs 25,000
June 21: Withdrew shs 100,000 from bank to settle his spouse medical bill.
June 24: Paid cash shs 133,280 to Kinai after deducting a cash discount of 2%
June 25: Received a cheque of shs 200,000 from Alando a debtor in full settlement of his account of shs 205,000
June 28: Paid salaries shs 120,000 by Cheque
June 31: Banked all cash except sh 50,000

Required

Record the above transactions in a three column cashbook and balance it off. (10mks)

6. (a) Explain **five** reasons why some countries are lesser developed than others. (10mks)
- (b) Explain **five** ways in which wholesalers prepare goods for sale. (10mks)