**Name:** …………………………………………………………… **Adm No**: ………………………………

**School:** …………………………………………………………. **Candidate’s Sign**: …………………….

**Date:** ………………………………………………………….

**565/2**

**PAPER 2**

**BUSINESS STUDIES**

**TIME: 2 ½ HOURS**

**POST MOCK 2019 -September**

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

**FORM FOUR**

**INSTRUCTIONS TO CANDIDATES:**

* *This paper consists of* ***six*** *questions*
* *Answer any* ***five*** *questions in the answer booklet provided.*
* ***All*** *questions carry equal marks*

1. a).Explain five factors that may promote entrepreneurship in Kenya (10mks).

b). Explain five causes of balance of payments disequilibrium (10mks)

2. a). Explain five features that would be considered when establishing a warehouse for

imported goods (10mks)

b). On 1st September 2015, Kakamega Traders had shs55, 000 in hand and shs 250,000 in Bank. During the month, the following transactions took place. (10mks)

Sept: 2: cash sales were banked shs. 35,260.

3: Bought ribbons in cash shs. 4,500.

8: Paid Wangila creditor shs. 94, 000 by cheque,

In full settlement of his account after deducting 6% cash discount.

12: received a cheque for shs. 59,800 from macharia after allowing him cash

discount of shs. 1,200

15: Paid salaries of shs 34,000 in cash.

25: withdrew shs. 50,000 from bank for office use.

28: Wanjiku a debtor paid her account of shs. 75,000 by cheque less 10% cash discount

30: Deposited all the cash into the bank except shs. 13,700.

Required: Prepare Kakamega Traders 3 –column cash book and balance it off (10mks)

3. a). Explain five benefits that a private limited company may enjoy by changing to a public

limited company (10mks)

b). Explain the functions of the following documents as used in home trade (10mks)

i). Invoice

ii). Debit note

iii). Credit note

iv). Receipt

v). Statement of account

4. a). Explain any five sources of monopoly power in a monopoly (10mks)

b). Explain five benefits that Kenya enjoys by being a member of the African development Bank (10mks)

5. a). Outline any five principles of insurance (10mks)

b). The following trial balance relates to XYZ ltd.

XYZ limited

Trial Balance

As at 31st Dec. 2013.

Details Dr CR

Kshs Kshs

Capital 800,000

Opening stock 200,000

Purchases 680,000

Returns 50,000 80,000

Discount 80,000 45,000

Carriage inwards 42,000

Debtors and creditors 200,000 105,000

Sales 1,200,000

Motor vehicles 750,000

Furniture and fittings 250,000

Rent 50,000 60,000

Bank overdraft 42,000

Carriage outwards 30,000

Additional information:

Closing stock was valued at shs. 80,000

**Required:**

Prepare XYZ limited Trading, profit and loss account (10mks).

6. a). Unemployment has been major problem that the Kenyan government has been trying

to solve. Explain any five measures that the Kenyan government has taken to solve this problem (10mks).

b) Explain any five sources of public finance (10mks)