

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

- (a) Explain **five** uses of National Income Statistics to a country. (10 marks)
- (b) Discuss **five** principles that would lead to effective use of government resources. (10 marks)

**2** (a) Explain **five** ways in which the consumer may benefit from warehousing. (10 marks)

- (b) The following information was extracted from the books of Mamboleo Traders in the month of September, 2014.

September 1	Had cash in hand, Shs15,500 and a bank overdraft of Shs 9,700.
September 3	Bought goods for sale Shs 12,300 on credit.
September 5	Sold good in cash Shs 8,500.
September 9	Sold goods on credit Shs 10,000.
September 12	Received a cheque of Shs 9,000 from a debtor.
September 15	Paid a creditor Shs 10,000 in cash.
September 17	Paid wages Shs 2,600 in cash.
September 19	Received a cheque Shs 23,400 from Samson for goods sold in January.
September 20	Received Shs 6,700 from a debtor in cash.
September 23	Withdrew Shs 7,700 from the bank for office use.
September 24	Paid electricity bills by cheque Shs1,200.
September 25	Received a cheque of Shs11,500 from a debtor.
September 26	Made cash sales of Shs12,800 .
September 27	Purchased goods worth Shs 8,950 in cash.
September 28	Deposited personal cash Shs 3,500 into the business account.
September 30	Paid water bills by cheque Shs 2,800.

**Required:**

Prepare a two column cash book. (10 marks)

- 3** (a) Describe **five** characteristics of a monopolistic competitive market. (10 marks)
- (b) Explain **five** features of human wants. (10 marks)

- 4 (a) The following trail balance relates to Chui Traders as at 31<sup>st</sup> December, 2014.

**Chui Traders  
Trial Balance  
As at 31<sup>st</sup> December 2014**

Details	Dr (Ksh)	Cr (Ksh)
Stock	10,000	
Bank	3,500	
Purchases	15,000	
Sales		28,000
Returns	800	<u>1,100</u>
Rent		580
Insurance	950	
Creditor		450
Carriage in	1,200	
Discounts	<u>300</u>	<u>1,620</u>
	<u><u>31,750</u></u>	<u><u>31,750</u></u>

Additional Information:

- Closing stock was valued at Ksh 2,500.
- Carriage out was Ksh 1,200.

**Required**

- Prepare Trading, Profit and Loss Account. (10 marks)
- (b) Explain **five** methods of determining the price of a product other than price control. (10 marks)
- 5 (a) Explain **five** trends in office management. (10 marks)
- (b) Explain **five** advantages of government involvement in business. (10 marks)
- 6 (a) Explain **five** benefits which may accrue to Kenya by being a member of the African Development Bank (AFDB). (10 marks)
- (b) Explain **five** features that are common to underdeveloped countries. (10 marks)