

Name:.....Index No.....

565/2
BUSINESS STUDIES
PAPER 2
TIME: 2½ HOURS

**TOP NOTCH EXAM MERIT TWO (PRE-MOCK) 2016
KENYA CERTIFICATE OF SECONDARY EDUCATION.**

Instructions:

- Answer any five questions.
- Write your answers in the answer booklet provided.
- All questions carry equal marks.

FOR EXAMINER'S USE

Question No	1	2	3	4	5	6
SCORE						

NB: This paper consists of 2 printed pages.

Students should check the question paper to ensure that all pages are printed as indicated and that no questions are missing.

Turn over

- 1.a) Highlight five reasons why the government trains business people. (10marks)
- b) Explain five roles that intermediaries play in the distribution of goods and services. (10marks)
2. a) Outline five monetary policies that the government may put in place to control inflation. (10marks)
- b) Describe five barriers to effective communication. (10marks)
- 3.(a) Maji Moto Limited operates as a monopolist. Explain five possible factors that may have made this firm acquire monopolist power. (10marks)
- (b) Explain five factors that may affect Economic planning process. (10marks)
4. (a) Mishanga wanted to open an account with a commercial bank. Give five reasons why you should advise him to open a current account. (10 marks)
- (b) The use of motor cycles transport is becoming very popular in both rural and urban areas of Kenya. Explain the limitation a business that relies on its use is likely to encounter. (10 marks)
- 5.a) Explain FIVE challenges that may be experienced by a country whose population is made up of a large proportion of young people. (10marks)
- b) On 1st December 2009, Kamau had sh. 55,000 in hand and sh. 250,000 at bank. During the month, the following transactions took place.
- December 2 cash sales banked sh. 35,260.
- 3 Bought stationery in cash sh. 4,500.
- 8 Paid Odongo a creditor sh. 94,000 by cheque in full settlement of his account after deduction 6% cash discount.
- 12 received a cheque for sh 58,800 from Wafula after allowing him cash discount of sh. 1,200.
- 15 paid salaries sh. 34,000 in cash.
- 25 Withdrew sh. 50,000 from bank for office use.
- 28 Anyango, a debtor paid her account of sh. 75,000 by cheque less 10% cash discount
- 30 Deposited all the cash into the bank except sh. 13,700.
- Prepare a three column cash book and balance if off. (10marks)
- 6a) Explain five problems that a country may experience from imposing trade restrictions. (10marks)
- (b) Explain five ways of improving efficiency of a warehouse. (10marks)