**NAME…………………………….**

**Admission number: ……………**

**Class: ………………………………….**

565/2

**BUSINESS STUDIES**

PAPER 2

TERM 1 2016

**MWAKICAN JOINT EXAM TEAM (MJET)**

**BUSINESS STUDIES**

PAPER 2

21/2 HOURS

**INSTRUCTIONS TO CANDIDATES**

1. This paper consists of six questions.
2. Answer any five questions.
3. Write your answers in the answer booklet provided
4. All questions carry equal marks.

(a) Describe any **five** characteristics of human wants. (10mks)

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(b) Explain **five** ways in which commercial banks help in facilitating business activities in a community.(10mks)

a) Quails traders intends to construct a warehouse .Explain **five** measures that Quails Traders should take to ensure smooth functioning of the warehouse. (10mks)

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b) Sambaza, an island country in Indian Ocean, has been experiencing low national income Discuss **five** reasons that may have contributed to this problem .(10mks)

(a) Explain **five** factors that have contributed to the popularity of containers in transport. (10mk)

3

B) Kamwe Company limited prefers to sell its products direct to consumers. Highlight **five** circumstances under which this manufacturer may sell direct to consumer. (10mks)

(a) Ndathi has realized that his brother’s one year old business is growing fast. Explain **five** reasons that could be contributing to this scenario. (10mks)

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(b)Miciri a young entrepreneur has first won a lottery worth ksh.500; 000.He is torn between putting up a soap producing firm and a milk bar. Explain to Miciri **five** factors that he needs to consider before making a decision or what to produce. (10mks)

5

(a) Wamutira a newly employed teacher has joined Tajirika savings and credit co-operative society (SACCOs) ltd. Explain the **five** benefits that she may get from being a member of that SACCO.(10mks)

(b) Yegon had the following transaction in the month of June 2003.(10mks)

June 2 Started business with sh .100, 000 cash and furniture (from home) sh.3000.

3 Opened a bank account with sh. 7000.

6 Bought goods from kamanda on credit sh.500.

7 Sold stock sh.800 and was paid by cheque.

8 Yegon took away sh.100 cash from the business for his daughters fare back to school.

Required:

1. Record the following transactions in the relevant ledger accounts and balance them off. (10mk)

(a) Explain **five** ways in which the government can provide an enabling environment can provide an enabling environment for business enterprise. (10mks)

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(b) The following is the trial balance Mwingi West shop as at 31st March 2013.(10mks)

|  |  |  |
| --- | --- | --- |
|  | DR  SHs | CR  SHs |
| Stock 1 April 2012 | 181,600 |  |
| Sales and Purchases | 691,850 | 923,400 |
| Carriage inwards | 4,200 |  |
| Carriage outwards | 15,700 |  |
| Return outwards |  | 6,400 |
| Wages and salaries | 102,400 |  |
| Rates and Rent | 30,150 |  |
| Communication expense | 6,240 |  |
| Commission Payable | 2,160 |  |
| Insurance | 4,050 |  |
| Sundry expenses | 3,180 |  |
| Buildings | 200,000 |  |
| Debtors and creditors | 143,200 | 32,640 |
| Outstanding Expenses |  | 48,960 |
| Fixtures | 28,500 |  |
| Cash at bank | 29,700 |  |
| Cash at hand | 1,150 |  |
| 2 years loan |  | 80,000 |
| Loan from k Ball |  | 20,000 |
| Drawings | 79,200 |  |
| Capital |  | 408,880 |
|  | 1,520,280 | 1,520,280 |

Prepare:

1. A trading profit and loss a/c for the year ended 31st March 2013.
2. Balance sheet as at 31st March 2013.