**565/2**

**BUSINESS STUDIES**

**Form 4**

**Time: 2 1/2 Hours**

**2021 TRIAL 3 OCT/N0VEMBER INTERNAL EXAMINATION**

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

**Name………………………………………………………. Adm No……………….**

**Stream……………………………………………………. Date ………………………….**

**Sign ..............................................................................**

 **GRAND TOTAL**

**565/2**

**BUSINESS STUDIES**

**Form 4**

**Time: 2 1/2 Hours**

**INSTRUCTIONS TO CANDIDATES**

***Answer any five questions in the spaces provided.***

**For Examiner’s Use Only**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **Question No** | **1a** | **1b** | **2a** | **2b** | **3a** | **3b** | **4a** | **4b** | **5a** | **5b** | **6a** | **6b** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |

1. (a) Explain five benefits that could accrue to a customer who buys goods from a departmental

 store. (10mks)

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(b) Explain five roles played by licensing as a government regulatory tool. (10mks)

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1. (a) Explain five services that the central bank of Kenya offers to commercial banks. (10mks)

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(b) The following information relates to the business of Kipisigs Traders for the week ended

 29th Feb 2016.

 Feb 24th Started business with shs 24,000 in thebank.

 Feb 25 th Bought goods worth shs 18,000 by cheque.

 Feb 26 th Sold goods for cash shs 18,900

 Feb 28 th Cash sales worth Kshs 5,625

 Feb 29 th Paid commission Kshs 900 in cash.

 Required

 Prepared ledger accounts and balance them off. (10mks)

1. (a) Describe five channels followed in exporting agricultural product. (10mks)

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|  (b) | The following trial balance was extracted from Milka traders on 31st Dec 2020. |  |
|  |  |  |  |  |  |  |  |
|  |  |  | Dr | Cr |  |
|  |  |  |  |  |  |  |  |
|  |  |  | Sh | Sh |  |
|  |  | Capital |  |  | 250,000 |  |  |
|  |  | Stock | 25000 |  |  |  |  |
|  |  | Machinery | 250,000 |  |  |  |
|  |  | Motor vehicle | 87000 |  |  |  |  |
|  |  | Purchase | 360,000 |  |  |  |
|  |  | Sales |  |  | 600,000 |  |  |
|  |  | Returns inwards | 40,000 |  |  |  |  |
|  |  | Returns outwards |  |  | 20,000 |  |  |
|  |  | Discount received |  |  | 5,000 |  |  |
|  |  | Carriage inwards | 2000 |  |  |  |  |
|  |  | Carriage outwards | 3000 |  |  |  |  |
|  |  | Bad debts (written off) | 80,000 |  |  |  |  |
|  |  | General expenses | 88,000 |  |  |  |  |
|  |  | Debtors | 18,000 |  |  |  |  |
|  |  | Creditors |  |  | 49,000 |  |  |
|  |  | Rent | 1000 |  |  |  |  |
|  |  |  | 954.000 | 954.000 |  |  |
|  | Additional information; |  |  |  |  |  |
|  |  | Closing stock was sh. 22000 |  |  |  |
|  |  |  |  |  |  |  |
|  | Prepare Milka traders Trading, profit and loss account for the year ending 31/12/2020. |  |

(10mks)

1. (a) Explain five reasons why a country imposes taxes on her citizens. (10mks)

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(b)Outline five differences between a public limited company and a cooperative society.

 (10mks)

|  |  |
| --- | --- |
|  Public |  Co-operative society |
|  |  |
|  |  |
|  |  |
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|  |  |

1. (a) Using a diagram illustrate the effects of a positive shift of a demand curve on the

 equilibrium point, price and quantity (10mks)

(b) Explain five features of land as a factor of production. (10mks)

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1. (a) Mmanyi Enterprises have decided to construct their own warehouse. Explain five

 benefits they are likely to derive. (10mks)

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(b) Explain five importance of filing documents in an organization (10mks)

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