

**MARANDA HIGH SCHOOL**

***Kenya Certificate Of Secondary Education***

**THE 2024 MOCK EXAMINATION**

**565/2 BUSINESS STUDIES PAPER2**

**June, 2024 TIME: 2½ Hrs**

**Name**: …………………………………….…….…… Admission No: ……………

**CODE - SUBJECT**

Wednesday, 12th June, 2024

Afternoon

2.00-4.30pm

**Stream**: ……………………….. **Signature**: ……….........

**Instructions**

1. *Write your* ***name****,* ***admission number, date, stream and signature*** *in the spaces provided above.*
2. *All answers must be written in the spaces provided in the booklet.*
3. ***This paper consists of 12 printed pages with 6 questions 20 Marks each. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing***
4. *Candidate should attempt ANY five questions in* ***English***

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**FOR EXAMINERS’USE ONLY**

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **MAXIMUM SCORE** | **CANDIDATE’S SCORE** |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
|  | **20** |  |
| **TOTAL** |  |  |

1(a)Explain five benefits of advertising to the customer (10 marks)

(b)Explain five merits of localization of firms (10 marks)

2(a) Explain five characteristics of economic resources (10 marks)

(b) Explain five factors that may cause unfavourable balance of payments to a country. (10 marks)

3(a) Explain five factors that may lead to distortions of the message during communication

(10 marks)

(b). Give five differences between perfect competition and monopoly (10 marks)

4(a) Explain five challenges of embracing use of office machine in office operations (10marks)

(b) Explain five problems associated with expenditure approach (10 marks)

5(a) Explain five reasons why individuals may decide to come together to start a partnership business (10 marks)

b). The following opening balances were extracted from the books of K.M traders on 1st January 2023

**Details Sh**

Furniture 56,000

Capital 80,000

Creditors 20,000

Debtors 25,000

Bank 11,000

Cash 8,000

The following transactions took place in the course of the month

1. Paid a creditor shs 4,500 in cash
2. Took shs 3,000 from the bank for family use
3. Bought stock shs 18,600 on credit
4. Acquired a 10 year bank loan shs 165,000 which was credited to the business bank account
5. Purchased land worth shs 82,000 paying by cheque
6. Converted a family table worth sh 5,500 to business use
7. Received shs 7,300 in cash from debtors

Required; Prepare K.M Traders balance sheet at the end of January 2023. (10 marks)

6(a) Explain five importance of observing ethical issues in business (10 marks)

(b) The information below relate to the trial balance of Songo Traders as at 30thJune 2017.

Songo Traders

Trial balance as at 30 June 2017

|  |  |  |
| --- | --- | --- |
| Particulars | Dr shs. | Cr shs. |
| Stock on 30/6/2016  Capital  Purchases and sales  Drawings  Furniture and fittings  Motor vehicle  Debtors and creditors  Returns  Discounts  Rent  Insurance  Bank  Stock on 30/6/2017 | 400  3,500  600  2,000  15,000  800  150  90  210  500 | 13,870  7,000  1,200  200  80  100  300 |

Required :

(i). Prepare Songo trading, profit and loss account for the year ended 30/6/2017.

(ii). Balance sheet as at 30/6/2017 (12mks).

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