



MARANDA HIGH SCHOOL

Kenya Certificate of Secondary Education

PRE MOCK EXAMINATIONS 2024

565/2

Business Studies

Paper 2

March, 2024

Time: 2½ Hours

Name: Adm No:

Class: Candidate's Signature: Date:

Instruction to candidates

- ❖ Write your name and stream in the space provided above.
- ❖ This paper consists of six questions
- ❖ Answer any five questions of your choice in the spaces provided.
- ❖ All questions carry equal marks
- ❖ Ensure that you have 12 printed pages.
- ❖ Students should answer the questions in English only.

For examiner's use only

Question	Maximum Score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
Total		

1.(a) Explain **FIVE** factors that are likely to lead to high birth rate in Kenya. (10marks)

(b) On March 1st 2017, Martha had cash in hand sh 87,000 and cash at bank sh 250,000. During the month, the following transactions took place.

March 2: Cash sales sh 60,0000

3: Paid salaries sh 101,500 by cheques

7: Received a cheque of sh 76,000 from Henry, after allowing him cash discount of 5%

13: Bought office furniture by cheque shs 86,000

17: Settled Maria's account for shs34,200 in cash having deducted shs 800 cash discount

20: Received a cheque for shs 165,000 in respect of cash sales

22: Paid wages shs 25,000 in cash.

24: Withdrew shs 32,000 from the bank for office use.

25: Withdrew shs 4,000 cash for personal use.

29: Received shs 17,000 cash from Alvin in settlement of his account less shs 1,000 cash discount

31: Deposited all the cash into the bank except shs 24,000

Prepare three column cash book duly balanced (10marks)

2. a) Explain five features of oligopoly (10mks)

b) Explain five disadvantages of mail order stores (10mks)

3. a) Explain **FIVE** differences between an open office and an enclosed office (10marks)

b) The following balances were provided by Nkatha traders on 30th June 2021.

	<u>Kshs.</u>
Capital	150,000
Carriage inwards	9,100
Carriage outwards	17,500
Cash at Bank	28,500
Cash in Hand	3,200
Creditors	35,000
Debtors	16,500
Discounts Allowed	5,400
Discounts Received	2,700
Drawings	31,400
Furniture and Fittings	58,500
Motor Vehicles	65,200
Office machines	7,500
Purchases	228,200

Rates and Insurance	11,600
Returns Inwards	9,900
Returns Outwards	16,400
Sales	362,700
Wages and Salaries	41,800

Additional information:

Opening and closing stock were valued at kshs. 32,800 and kshs. 29,500 respectively.

Required;

Prepare Nkatha Traders Trading, Profit and Loss Account for the period ending 30th June 2021. (10marks)

4. (a) There has been a decline in the demand for wooden furniture. Explain **FIVE** factors that may have caused this trend. (10 marks)
- (b) Explain the procedure of making an insurance claim. (10 marks)
5. (a) Other than bidding, explain **FIVE** other methods of determining the price of a product in a market. (10 marks)
- (b) Explain **FIVE** differences between private limited companies and partnerships forms of business units. (10marks)
6. (a) Explain clearly with aid of a diagram the change of equilibrium as a result of increase in supply of a commodity. (10marks)
- (b) Explain **FIVE** uses of national income statistics. (10marks)