KIAMBU INTERZONAL

KENYA CERTIFICATE OF SECONDARY EDUCATION

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST-2009
TIME: 2 ½ HOURS

1.   (a)   Explain five factors that usually hinder mobily of Labour as a factor of production.   (10 marks)

(b)   Explain five negative effects of a rapid population growth.   (10 marks)

2.   (a)   Highlight five circumstances under which it would be advisable for a trader to transport goods by road instead of rail.   (10 marks)

(b)   explain five factors affecting price elasticity of demand.   (10 marks)

3.   (a)   using a diagram explain how price and output is determined by a firm under perfect competition in the short run.   (4 marks)

(b)   Devetech traders intends to construct a warehouse. Explain five measures that the Davetech traders would take to ensure smooth functioning of the warehouse.

(10 marks)

4.   (a)   Despite announcement by the government that the country has achieved 5.8% economic growth. This growth has not been translated to economic development. Discuss five indicators of under-development currently being experience in Kenya.

(10 marks)

(b)   Explain five reasons why the government protects consumers from producers and business people.   (10 marks)

5.   (a)   The gap between the rich and the poor is very wide in Kenya. Highlight five factors that contributes to this disparity in income distribution.   (10 marks)

(b)   The following transaction for the month of June 2006 were extracted from the books of Maris traders.

June 1ˢᵗ Gods bought on credit worth Ksh. 100
June 5ᵗʰ. Credit purchases worth ksh. 840
June 16ᵗʰ.   Credit purchases worth Ksh. 1500
June 26ᵗʰ. Purchased goods on credit from Furaha traders worth Ksh. 650.

Prepare;
(i)   Maris traders purchases journal.   (5 marks)
(ii)   Open the relevant ledger accounts for maris traders.   (5 marks)

6. (a) Explain five functions of commercial banks.   (10 marks)
    (b) The following information was extracted from Sam
         Enterprises books of accounts.

Stock 1/12/2006   20,000
Stock 31/12/2006   30,000
Sales   177,000
Purchases   160,000
Indirect expenses   2,000

From the above information calculate;-
(i)   Cost of goods sold.   (2 marks)
(ii)   Gross profit.   (2 marks)
(iii) Average stock.   (2 marks)
(iv)   Net profit   (2 marks)
(v)   Rate of stock turnover.   (2 marks)