

Name..... Index No:.....

School..... Candidate's Signature
Date:

565/2
BUSINESS STUDIES
PAPER 2
JUNE- 2016
TIME: 2 HOURS

CENTRAL YEARLY MEETING OF FRIENDS (CYMF) -2016
Kenya Certificate of Secondary Education (K.C.S.E.)

INSTRUCTIONS TO CANDIDATES

- Write your **name** and **index number** in the spaces provided above
- The paper consist of six questions
- Answer any **five** questions
- All questions carry equal marks
- **Sign** and write the **date** of examination in the spaces provided.

For Examiners Use Only

Question	Maximum score	Candidates score
1		
2		
3		
4		
5		
6		
Total score		

This paper consists of 3 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing

1. Explain five positive effects of inflation in an economy (10mks)
 (b) Highlight five ways in which the office takes care of property in an Organization (10mks)
 2. (a) A high population growth is undesirable. Outline methods of controlling the growth rate (10mks)
 (b) Explain five factors that limit the ability of consumers to protect themselves against unfair practices by business men (10mks)
 3. (a) Explain five factors that an entrepreneur should consider when evaluating a business opportunity (10mks)
 (b) Highlight five limitations of using ---- capital income as a measure of warfare in an economy (10mks)
 4. (a) The following information was extracted from the books of Muliru Enterprises as at 30th April 2016

Item	Sh	Item	Sh
Sales	1,280,000	Returns out	50,000
Purchases	900,000	Returns in	60,000
Carriage out	30,000	Carriage in	150,000
Opening stock	230,000	Insurance	40,000
Advertising	80,000	Closing stock	260,000
Discount received	50,000	Discount allowed	30,000
- (a) Required: Prepare a Trading, profit and loss Account (12mks)
 - (b) Outline four current trends in product promotion in Kenya (8mks)
5. (a) Explain five classifications of Economic resources (10mks)
 (b) Explain five principles that would lead to efficient management of co-operative society (10mks)
 6. (a) Give five differences between Economic growth and Economic development (10mks)

(b)The following information belongs to Handa Retailers as at 1st January 2016

	Sh
Furniture	39,500
Debtors (Shikhu)	18260
Bank	6190
Capital	48150
Creditors Mwami	7,250
Juma	8,550

The following transactions took place during the month of Jan.4 sold goods on credit to Shikhu for Sh 10,500 and paid Sh 2,500 by cheque for carriage of goods

Jan 10 Shikhu returned goods worth Sh 7,500

Jan 14 withdrew Sh 10,0

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00 from the bank to pay school fees for his children

Required: Record all the above information in the relevant ledger

Accounts and extra balance for Shikhu A/C and Bank A/c

(10mks)

