

# BUSINESS PP2 2024 KCSE MOCK

## TOP RANK KCSE PREDICTION MOCK 2024 SERIES

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NAME..... ADM NO:. ....

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**FORM 4 BUSINESS STUDIES**

**565/2**

**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 1 2024 TOP RANK KCSE PREDICTION MOCK**

**Instructions to candidates**

1. This paper consists of **six** questions.
2. Answer any **five** questions.
3. Write your answers in the answer sheets provided.
4. All questions carry equal marks

**FOR EXAMINER'S USE ONLY**

QUESTION	1	2	3	4	5	6	TOTAL
MARKS							

- 1(a) Discuss **five** benefits that a customer may get by using automated teller machines (ATMs) for financial transactions (10marks)
- b) Explain **five** demerits of output approach in measuring national income (10marks)
- 2(a) Explain **five** government-initiated methods of consumer protection (10marks)
- b) Explain **five** types of direct taxes that the government may use to collect revenue from individuals and companies (10 marks)
- 3(a) Explain **five** clauses that must be specified in Memorandum of Association of a public limited company (10 marks)
- b) The following information relates to Wako traders

Details	sh
stock 1 <sup>st</sup> January 2022	43000
purchases	95000
sales	123000
carriage outwards	2500
carriage inwards	1000
returns outwards	2000
returns inwards	3000
general expenses	10000
insurance	2500
stock 31 <sup>st</sup> December 2022	47000

calculate:

- |      |                        |           |
|------|------------------------|-----------|
| i)   | Turnover               | (1 mark)  |
| ii)  | Rate of stock turnover | (3 marks) |
| iii) | Mark up                | (2marks)  |
| iv)  | Margin                 | (2marks)  |
| v)   | Net profit             | (2marks)  |
- 4(a) Discuss **five** causes of unfavorable balance of payment for most developing countries (10 marks)
- b) Explain **five** factors that an entrepreneur would consider when evaluating a business idea (10 marks)

5 (a) On 1<sup>st</sup> January 2012, Chumo traders had the following balances: cash 15000 and bank 40000  
During the month, the following transactions took place.

- Jan:     2       Maritim, a debtor fully settled his account of sh 10000 by cheque of shs 8000
- 5       Deposited sh 4000 into the business bank account from the cash till
- 9       Paid wages by cash sh 5000
- 14       sold goods in cash sh 14000

- 17 purchased office equipment worth shs 3000 paying by cheque
- 18 settled Korirs account sh 10000 by cash after being allowed a discount of 5%
- 21 received sh 6000 cash from Kolongei a debtor
- 23 Tangus, a debtor settled his sh 4000 account by cheque having been allowed a discount of 20%
- 27 Deposited shs 17000 in the business bank account from private sources
- 30 Banked all the cash in the till except sh 1000

Prepare a **three-column cash book** duly balanced (10 marks)

b) Explain **five** ways of making face to face communication effective (10 marks)

6 (a) Explain **five** negative implications of a youthful population (10marks)

b) The following trial balance was prepared by Afya Bora Chemist on 31<sup>st</sup> December 2020

Particulars	DR sh	CR sh
Premises	850000	
Debtors	650500	
Creditors		820000
Motor vehicle	800000	
Equipment	550500	
Gross profit		1960200
Furniture	350000	
Stock	75000	
Bank	200000	
Cash in hand	150000	
General expenses	117800	
Discount received		66100
Commission allowed	12400	
Insurance	7500	
Lighting	4600	
Salaries	78000	
Capital		1000000
	3846000	3846000

Using the information given above prepare:

- i) A profit and Loss account (4 ½ marks)
- ii) A balance sheet (5 ½ marks)

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**FORM 4 BUSINESS STUDIES**

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**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 2 2024 TOP RANK KCSE PREDICTION MOCK**

**(Kenya Certificate of Secondary Education)**

**Instructions**

- ❖ Write your name, Index No. , signature and date in the spaces provided above.
- ❖ Answer any five questions in the foolscaps provided.

**FOR EXAMINER'S USE ONLY**

1a	b	2a	b	3a	b	4a	b	5a	b	6a	b

**TOTAL**

--

1. (a) Explain any five accounting documents used in home trade. (10marks)
- (b) Discuss five negative effects of inflation in the economy of Kenya. (10marks)
2. (a) Discuss five factors that will make two people wishing to take a life assurance policy to pay different premiums. (10marks)
- (b) Explain five reasons why small firms continue to exist in an economy dominated by large scale firms. (10marks)
3. (a) Alukumu would wish to import a V8 car from Japan discuss five possible channels of distributing the car. (10marks)
- (b) The following balances were extracted from Wakasungula's traders. Cash at hand sh. 180,000 and cash at Bank sh. 67,000 at 1<sup>st</sup> January.

**Jan. 2:** Cash sales directly banked sh. 34,500

**3:** Cash taking of sh. 20,000

**4:** Purchased goods on credit from Sagini sh. 30,000 Pesh. Sh. 25,000 and Cosmo sh. 38,000

**5:** Sagini and Pesh returned faulty goods worth sh. 10,000 each.

**6:** Sharlet a debtor paid cash sh. 30,000 in full settlement of the debt after being allowed a 10% discount.

**8:** Paid the following accounts by cheque after deducting 5% in each case:  
Sagini sh. 15,000, Pesh sh. 10,000 and Cosmo sh. 30,000

**9:** Received a cheque from debtor sh. 20,000

**10:** Too cash to the bank sh. 32,000.

**12:** Paid salaries sh. 10,000 in cash and sh. 37,000 by cheque.

**20:** The cheque received on 9<sup>th</sup> was dishonored and there were bank charges of sh. 2,200.

**29:** Withdrew sh. 20,000 from bank for her daughter's medication.

**30:** Deposited all the cash to the bank except sh. 2,000

**Required:**

***Prepare a duly balanced three column cash book. (10marks)***

4. (a) Explain any five roles of the Nairobi securities exchange market. (10marks)
- (b) Explain five factors why the National income statistics
5. (a) Explain five ways in which the utility of maize can be increased. (10marks)

(b) The following trial balance relates to Nyamira traders Ltd. As at 31<sup>st</sup> March 2005.

**Nyamira Traders**  
**Trial balance**  
**As at 31<sup>st</sup> March 2005**

<b>Detail</b>	<b>Dr.</b>	<b>Cr.</b>
Capital		400,000
Sales		560,000
Purchase	100,000	
Returns	500	1,000
Carriages	15,000	6,000
Opening stock	50,000	
Discounts	2,000	4,000
Rent		16,000
Insurance	8,000	
Machinery	560,000	
Transport	1,000	
Wages	10,000	
Debtors	400,000	
Creditors		60,000
5 year loan		200,000
1 year loan		75,000
Furniture	60,000	
Premises	40,000	
Overdraft		37,000
Cash	500,000	
Bank	100,000	
	<b>1,353,000</b>	<b>1,353,000</b>

***The closing stock was valued at sh. 60,000.***

***Required:***

- (i) Prepare a trading, profit and loss account.
- (ii) Prepare a balance sheet as at 31<sup>st</sup> March 2005.
- 6. (a) There has been an increase in demand for pork at Funyula market. Discuss any five factors that may have contributed for this situation. (10marks)
- (b) Discuss how the introduction of money eliminates problems faced in Butter trade. (10marks)



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**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 3 2024 TOP RANK KCSE PREDICTION MOCK**

**INSTRUCTIONS TO CANDIDATES**

- Write your name and index number in the spaces provided above.
- All questions carry equal marks
- Candidate should answer the questions in English
- Candidate should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing

**For Examiner's Use Only**

Question	1	2	3	4	5	6
Marks						

1. (a) Explain five types of unemployment that may be experienced in Kenya. **(10 marks)**

(b) With the aid of a diagram, explain the effect of an increase in the supply of a commodity while its demand remains constant.

**(10 marks)**

2. (a) On 1<sup>st</sup> January 2011, Jumo traders had Sh. 22, 500 in cash and Shs. 250,000 at the bank. During the month, the following transactions took place.

2<sup>nd</sup> Jan : Made cash sales for Shs. 465,200

5<sup>th</sup> Jan : Received a cheque for shs. 451, 250 from Kamau Traders in full settlement

of their debt after allowing a 5% cash discount.

15<sup>th</sup> Jan : Paid Ndaru Traders Shs. 184,000 in cash after deducting a cash discount of shs. 16,000

20<sup>th</sup> Jan : Deposited shs. 200,000 from cash till in to the bank.

25<sup>th</sup> Jan : Paid wages, shs. 144,000 in cash.

28<sup>th</sup> Jan : Settled Mbago Trader's account of shs. 300,000 by cheque, less 15% cash discount.

29<sup>th</sup> Jan : Withdrew Shs. 250,000 from the bank for office use.

30<sup>th</sup> Jan : Deposited all the cash into the bank except shs. 59,700.

**Prepare a duly balanced three column cash book. (10 marks)**

(b) Explain 5 ways in which a consumer may benefit from ware housing. **(10 marks)**

3. a) Explain five ways in which the activities in a bonded warehouse are beneficial to the government **(10 marks)**

b) Explain any five methods that a county may put in place to prevent free movement of goods and services from other countries.

**(10 marks)**

4. (a) Outline five features of good money. **(10 marks)**

(b) Explain five activities that may be carried out in the process of distributing goods. **(10 marks)**

5 a) Explain any five uses of National Income Statistics

(10marks)

b) The following trial balance related to Tai Traders as at 31<sup>st</sup> December 2014

(10marks)

**TAI TRADERS TRIAL BALANCE**

**AS AT 31<sup>ST</sup> DECEMBER 2014**

Details	Dr (Ksh)	Cr(Ksh)
Stock	10,000	
Bank	3,500	
Purchases	15,000	
Sales		28,000
Returns	800	1,100
Rent		580
Insurance	950	
Creditor		450
Carriage in	1,200	
Discounts	300	1,620
	<b>31,750</b>	<b>31,750</b>

Additional information

- Closing stock was valued at Ksh 2,500
- Carriage out was Ksh 1,200

Required: Prepare trading profit and loss account.

(10marks)

6. (a) Explain any five reasons why one would prefer to transport goods on road than rail.

(10

marks)

b) On 1<sup>st</sup> January 1993 Makena started a business with sh 120,000 cash and sh 300,000 in the bank.

The following transactions were done in the month of January 1993.

January 3: Bought goods worth sh 60,000 by cheque

January 10: Sold goods worth sh 35,000 cash

January 14: Bought goods worth sh 90,000 cash from Odero

January 18: Paid wages sh 18,000 by cash

January 20: Withdrew sh 40,000 from bank for office use.

**Required;**

Record the above transactions in the relevant ledger account, balance them off and extract a trial balance. **(10marks)**

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**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 4 2024 TOP RANK KCSE PREDICTION MOCK**

**Instructions for candidates:**

- This paper consists of **six** questions
- Answer any **five** questions.
- Write your answers in the answer booklet provided.
- All questions carry equal marks.
- Candidates should check the questions paper to ascertain that all pages are printed as indicated and that no questions are missing.

For Examiners Use Only

	1	2	3	4	5	6
a)						
b)						

TOTAL SCORE

--

1. a. Explain **five** factors that promote entrepreneurial activities in a country. (10marks)
  - b. Explain **five** measures that the Central Bank of Kenya can put in place so as to reduce the amount of money in circulation.
- (10marks)

2. a. Explain **five** uses of national income statistics. (10marks)
- b. Explain **five** differences between public limited companies and partnerships forms of business units. (10marks)
3. a. Explain **five** factors to be considered when selecting office equipment to buy. (10marks)
- b. On 1<sup>st</sup> March 2016, Karani Traders had cash in hand sh.100,000 and cash at bank sh.150,000. The following transaction took place during the month.

March 2<sup>nd</sup>: Bought goods in cash sh.15,000.

4<sup>th</sup>: Paid salaries by cash sh.75,000.

5<sup>th</sup>: Received the following cheques from debtors after allowing a 2% discount in each case Wamburi sh.9800 and Wang'ondur sh.19,600.

8<sup>th</sup>: Paid the following accounts by cheque in each case deducting a 5% discount Wang'ombe sh.30,000, Wanjohi sh.12,000.

12<sup>th</sup>: Bought office machinery by cheque sh.50,000.

20<sup>th</sup>: Took cash 10,000 for private use.

25<sup>th</sup>: Cash sales sh.20,000.

28<sup>th</sup>: Banked cash amounting to sh.10,000.

31<sup>st</sup>: Received sh.30,000 cash from Wanjohi a debtor.

**Required:** Prepare a three column cash book duly balanced. (10 marks)

4. a. Explain **five** limitations of a trial balance. (10marks)
- b. Explain **five** benefits of insurance to business. (10marks)
5. a. Explain **five** trends in product promotion. (10marks)
- b. Explain **five** methods of determining the price of a commodity. (10 marks)
6. a. Explain **five** reasons for the popularity of shopping in hypermarket in the modern society. (10 marks)
- b. The trial balance given below was extracted from the books of Barsigan traders as at 31<sup>st</sup> Dec 2022.

Details	Dr.	Cr.
Stock 1/1/2022	35,000	

Sales		395,000
Carriage inwards	15,000	
Purchases	270,000	
Returns	8,000	4,000
Discounts	3,000	5,000
Insurance	10,000	
Advertising	5,000	
Carriage outwards	7,000	
Premises	400,000	
Machinery	200,000	
Bank loan		180,000
Debtors	45,000	
Drawings	20,000	
Bank		215,000
Creditors		50,000
Salaries	18,000	
Rates	12,000	
Capital	<u>          </u>	<u>379,000</u>
	<u>1,048</u>	<u>1,048</u>

Additional information; Stock on 31<sup>st</sup> Dec, 2022 was sh.50,000.

Required prepare:(i) Trading profit and loss account for the year ended 31<sup>st</sup> Dec 2022.

(ii) A balance sheet.

(10marks)

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**FORM 4 BUSINESS STUDIES**

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**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 5 2024 TOP RANK KCSE PREDICTION MOCK**

**INSTRUCTIONS TO CANDIDATES**

- (a) Write your name and admission number in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided above.
- (c) Answer any five questions in the spaces provided
- (d) This paper consists of **3** printed pages. Candidates should check carefully to ascertain that all the pages are printed as indicated and that no questions are missing.
- (e) Candidates should answer the questions in English.

**FOR EXAMINERS USE ONLY**

Question	Maximum Score	Candidate's score
	20	
	20	
	20	
	20	
	20	
Total score		



1. (a) Explain five characteristics of an under-developed country. (10 marks)
- (b) In the recent past, Kenya has been experiencing high rates of inflation. Explain any five non-monetary measures that a country may use to control this situation (10 marks)
2. (a) The per capita income in country A is considerably higher than that in country B. Explain five reasons why the citizens of country A may not necessarily enjoy higher standards of living than citizens of country B. (10 marks)
- (b) Explain five circumstances under which personal selling would be the most appropriate method of product promotion. (10 marks)
3. (a) Explain any ways in which the external environment may contribute to the success of a business (10 marks)

(b) The following balances relate to Utawala Traders as at 31<sup>st</sup> December 2021

	Shs
Salaries	70,000
Stock (1/1/2021)	30,000
Premises	700,000
Creditors	35,000
Capital	700,000
Purchases	150,000
Bank	120,000
Insurance	10,000
Electricity	40,000
Debtors	60,000
Sales	350,000
Stock (31/12/2021)	20,000
2-year bank loan	200,000
Cash	90,000
Returns inwards	15,000

**Required:**

- (i) Prepare a trading, profit and loss account for the year ending 31<sup>st</sup> December 2021 (5 marks)
- (ii) Prepare a balance sheet as at 31<sup>st</sup> December, 2021 (5 marks)
4. (a) Explain **five** ways in which a computer may be used in an office (10 marks)
- (b) Most of the African countries are suffering from rapid unemployment rates. Explain five causes of this situation. (10 marks)

5. (a) Outline five differences between a public limited company and a public corporation. (10 marks)
- (b) Currently, commercial banks are establishing Banking Agencies in different parts of the country. Explain five benefits that are enjoyed by their customers as a result of this development. (10 marks)
6. (a) On 1<sup>st</sup> October 2013, Nyati Traders Had shs.10 000 and shs.40 000 at the bank. During the month, the following transactions took place.

**2013**

- Oct 2 Bought goods worth shs3,100 by cheque
- 3 Paid motor expenses shs.6000 in cash
- 6 Sold goods worth 8200 cash
- 10 paid a creditor shs.9500 by cheque after deducting a 5% cash discount
- 12 Received a commission of shs.580 directly into the bank account.
- 15 The bank deducted shs. 850 from the business account for services rendered
- 19 The owner took shs.1500 by cheque for personal use
- 23 Paid Maboko traders shs.39,200 by cheque in full settlement of their account less 2% cash discount
- 24 Withdrew shs.15,000 from bank for business use
- 26 Received shs.8,200 cash from a debtor in full settlement of a debt of shs.8,500
- 30 Took all the cash to the bank leaving only shs.1800 in the cash till

***Required:***

- Prepare a duly balanced three column cash book (10 marks)
- (b) Explain any **five** ways of improving the efficiency of a warehouse. (10 marks)

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**FORM 4 BUSINESS STUDIES**

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**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 6 2024 TOP RANK KCSE PREDICTION MOCK**

**INSTRUCTIONS TO CANDIDATES**

- (f) Write your name and admission number in the spaces provided above.
- (g) Sign and write the date of the examination in the spaces provided above.
- (h) Answer any five questions in the spaces provided
- (i) This paper consists of 3 printed pages. Candidates should check carefully to ascertain that all the pages are printed as indicated and that no questions are missing.
- (j) Candidates should answer the questions in English.

**FOR EXAMINERS USE ONLY**

Question	Maximum Score	Candidate's score
	20	
	20	
	20	
	20	
	20	
Total score		

1. (a) Explain five reasons why people prefer to start a partnership business. (10 marks)
- (b) Explain the importance of business studies to the society. (10 marks)
2. (a) Illustrate using a diagram the circular flow of income in a two-sector economy and give three assumptions (10 marks)
- (b) Explain five distinguishing features between a current account and a savings account (10 marks)
3. (a) Explain five reasons why hypermarkets are becoming popular in Kenya today (10 marks)
- (b) On 1<sup>st</sup> May, 2020, Kihenjo Limited had cash in hand sh. 178,000 and a bank overdraft of sh. 23,400. During the month, the following transactions took place.

**2020**

- May 3: Cash sales sh. 16,500 paid direct to the bank
- 4: Bought goods for sh. 15,000 and paid by cheque
- 6: Cash sales sh.50, 000
- 9: Received a cheque sh. 76,500 from Mwikali
- 12: Bought goods sh.10, 000 on credit from Juma
- 13: Paid insurance premium sh.16, 000 in cash
- 14: Paid Otieno by cheque sh. 9, 700 in full settlement of his account having deducted a 3% cash discount
- 16: The owner took sh. 1,000 cash from the business to pay hospital bill for spouse
- 20: Withdrew sh. 30, 000 for office use.
- 23: Received a cheque of sh. 23, 750 from Kim in full settlement of his account less 5% cash discount
- 25: Paid wages of shs. 20, 000 cash
- 26: The cheque received from Kim was dishonoured
- 30: Banked all the cash except sh. 3, 000

**Required:** A duly balanced three-column cash book (10 marks)

4. (a) Describe five channels that can be used when exporting Agricultural products. (10 marks)

- (b) Explain any five circumstances under which a business may prefer open office layout (10 marks)
5. (a) Describe the procedure of making an insurance claim. (10 marks)
- (b) Kenya has been experiencing a challenge of unemployment. Explain five measures that the government has taken in her effort to curb the unemployment problem. (10 marks)
6. (a) Ouma is a businessman who is intending to increase his volume of sales through promoting his products. State and explain any four factors that he must put into consideration before deciding on the method that he should use. (8 marks)
- (b) The following trial balance relates to Uchumi Traders as at 31<sup>st</sup> December, 2022.

Uchumi Traders  
Trial Balance  
As at 31<sup>st</sup> December, 2022

Particulars	Dr. (Shs)	Cr. (Shs)
Stock on 1 <sup>st</sup> Jan. 2022	60,000	
Purchases and Sales	400, 000	580, 000
Returns	20, 000	50,000
Debtors and creditors	65, 000	40,000
Premises	540, 000	
Machinery	200, 000	
Fixtures and fittings	100, 000	
Carriage outwards	8,000	
Wages and salaries	30,000	
Discounts	25,000	32, 000
Commissions	16, 000	14, 000
Cash in hand	70,000	
Capital		818, 000
	1, 534,000	1,534,000

Additional Information: Closing stock was valued at sh. 70, 000

Required:

- (i) Trading profit and loss account for the period ended 31<sup>st</sup> December, 2022 (8 marks)
- (ii) Balance sheet as at 31<sup>st</sup> December, 2022 (4 marks)

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**FORM 4 BUSINESS STUDIES**

**565/2**

**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 7 2024 TOP RANK KCSE PREDICTION MOCK**

**Instructions to Candidates**

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided above.
- (c) This paper consists of **6** questions.
- (d) Answer **ANY FIVE** questions in the spaces provided
- (e) This paper consists of **3** printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing
- (f) Candidates should answer the questions in **English**

Question	Maximum score	Candidates score
	20	
	20	
	20	
	20	
	20	

1. (a) Explain **five** measures that Kenya may take to control unemployment problem (10 marks)  
 (b) Highlight **five** differences between direct tax and indirect tax .

(10 marks)

2. (a) Explain the meaning and significance in each of the following terms as used in foreign trade.

(10

marks)

- i. Terms of trade.
- ii. Balance of payment.
- iii. Exchange rate.
- iv. Balance trade.
- v. Common market.

- (b) Explain **five** functions of the national budget as a tool of planning.

(10 marks)

3. (a) Discuss five factors that have led to survival of small-scale retailers despite competition from Supermarkets.

(10 marks)

- (b) The following balances were extracted from the books of Mutei trader on 31<sup>st</sup> December, 2017.

	Shs
Gross profit	800,000
General expenses	180,000
Buildings	1,250,000
Equipment	380,000
Capital	1,400,000
Furniture	117,000
Insurance	48,000
Stock	25,000
Commission income	125,800
Discount allowed	55,000
Discount received	56,200
Bank Overdraft	79,000
Salaries and wages	320,000
Creditors	90,000
Carriage outwards	60,000
Debtors	65,500

Carriage inwards	34,500
Cash	51,000

Prepare:

- a). Profit and loss account for the period ended 31<sup>st</sup> December 2017.
- b). Balance sheet as at 31<sup>st</sup> December, 2017. (10 marks)



4. (a) Highlight five benefits accruing to a seller who uses the personal selling method to promote her products. (10 marks)

(b) The following transactions relate to Furaha traders for the month of July, 2008

July 1 : Balance brought down cash sh.16,250 and Bank Shs.19,847

July 2 : Sold goods worth Shs.1,348 to Patel and received a calculator in exchange

July 5 : Paid transport by cheque Shs.2,000

July 6 : Issued a cheque to Kerio Traders setting an invoice for Shs.10,000 deducting 2% cash discount

July 10: Transfer Shs.15 000 from cash till to bank

July 12: Sold goods for cash Shs.12,000 less 2% cash discount

July 13: Sold goods to Onyango on credit worth Shs.15, 000

July 14: The owner of the business withdrew Shs.3000 in cash to buy a present for his daughter

July 16 : Received a cheque from Kuria Shs.2,500 less 5 % cash discount

July 22 : Bought furniture from Babu Traders on credit worth Shs.16,500 and cash discount of 10% if payment is made within 2 weeks

July 24: Withdrew cash from bank for office use Shs8,000

July 26: The owner brought into the business Shs.9,000 cash

July 27: Issued a cheque to Babu Traders for amount due

July 28: Sold goods to Kuria worth Shs.5,000 for Shs.3,800 and received payment by cheque

July 30: Banked all cash and remained with Shs.100 in the cash till

Required; Prepare Furaha Traders three column cash book for the month of July 2008.

(10 marks)

5. a) Explain **five** means of written communication.

(10 marks)

b) Explain **five** measures that are adopted by the government to protect consumers against exploitation.

(10 marks)

6 (a) Explain **five** characteristics of perfect competition market structure. (10 marks)

(b) Commodity A and B are substitute products. Using well label diagrams explain

how increase in supply of commodity A would affect the equilibrium price and quantity

demanded of commodity B.

(10 mks)

NAME..... ADM NO: .....

SCHOOL.....INDEX.....

DATE.....SIGN.....TARGET.....

**FORM 4 BUSINESS STUDIES**

**565/2**

**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 8 2024 TOP RANK KCSE PREDICTION MOCK**

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

**INSTRUCTIONS TO CANDIDATES**

1. Write your name, Adm No and index number in the spaces provided above.
2. Write the date of examination and sign in the spaces provided above.
3. This paper consists of **6** questions.
4. Answer **any five** questions.
5. All questions carry equal marks.
6. Candidates should check to ensure that all pages are printed as indicated and no questions are missing.

**FOR EXAMINER'S USE ONLY**

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

1. a) Explain five negative effects of inflation.

(10 marks)

b) Explain five factors that limit effective communication in a business. (10 marks)

2. a) Explain five factors that may be considered morally right when carrying out business. (10 marks)

b) Explain five challenges that may face a firm due to its expansion. (10 marks)

3. a) Explain five types of indirect taxes that are levied in Kenya. (10 marks)

(b) The following transactions relate to Koko Traders for the month of May 2021:

May 2: Sold goods on credit to Chui shs.12,000 and Jane shs.16,000

May 8: Bought goods on credit from Shah Traders shs.40,000

May 12: Chui returned goods worth shs.2,000

May 15: Purchased goods on credit from Koki sh.34,000 and Peter shs.31,050

May 20: Goods worth sh.6,000 were returned to Shah traders and goods worth  
sh. 3,000 to Koki

May 23: Goods sold on credit to Chui sh.8,000, Tom sh. 11,000 and Joseph shs.13,000

May 25: Bought goods on credit from Koki shs.17,000 and Shah Traders shs.25,000.

May 27: Goods returned by Boyo shs.2,000

May 30: Purchased a motor car on credit worth sh.500,000 from KVM

Prepare the relevant journals and balance them off. (10 marks)

4. a) Explain five benefits advertising to the business. (10 marks)

b) Explain five external business environment that may positively affect the operation of the business.  
(10 marks)

5. a) Explain five advantages of privatization of state corporations. (10 marks)
- b) Explain five positive implications of a country whose population is mainly dominated by the youthful population. (10 marks)
6. a) The following Trial Balance was extracted from the books of Kamau Traders as at 31<sup>st</sup>

December 2020.

<b>Details</b>	<b><u>Dr (sh)</u></b>	<b><u>Cr (sh)</u></b>
Opening stock	30,000	
Purchases / sales	275,000	390,000
Debtors	47,000	
Commission received		36,000
Returns	10,000	6,000
Carriage	24,000	
Advertising	3,000	
Salaries	19,000	
Rates	12,000	
Premises	450,000	
Machinery	180,000	
Loan		210,000
Insurance	20,000	
Discounts	5,000	7,000
Drawings	25,000	
Cash in hand	40,000	
Cash at bank	250,000	
Creditors		52,000
Capital		<u>698,000</u>
	<u>1,390,000</u>	<u>1,390,000</u>

Additional information:

- Closing stock sh 50,000
- Carriage outwards was  $\frac{1}{3}$  of total carriage.

Required:

- (i) Prepare Kamau traders trading, profit and loss account for the period ended 31.12.2020. (6 marks)
  - (ii) Balance sheet as at 31.12.2020. (4 marks)
- b) Labour is one of the basic factors of production. Outline five measures that a business can take to increase the productivity of its labour force. (10 marks)

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**FORM 4 BUSINESS STUDIES**

**565/2**

**BUSINESS STUDIES Paper 2**

**2½ hours**

**SERIES 9 2024 TOP RANK KCSE PREDICTION MOCK**

**INSTRUCTIONS TO CANDIDATES**

- a) Write your name, and Index number in the spaces provided above
- b) Sign and write the date of examination in the spaces provided above
- c) This paper consists of **Six** questions.
- d) Answer **any five** questions in the spaces provided after questions 6.
- e) All questions carry equal marks
- f) **Candidates should answer the questions in English.**
- g) **This paper consists of 3 printed pages, candidates should check to ascertain that all pages are printed as indicated and that no question is missing.**

For Examiner's Use only

Question	Maximum Score	Candidates Score
	20	

	20	
	20	
	20	
	20	
	TOTAL SCORE	

1.     a) Describe the procedure of making an insurance claim. (10marks)
- b) Outline five factors to consider when selecting means of reproducing documents. (10marks)
2.     a) Explain five disadvantages that a developing country may suffer by liberalizing foreign trade (10marks)
- b) Explain five factors that may hinder economic development in Kenya. (10marks)
3.     a) Explain four resources found in a business enterprise. (8marks)

b) Mworio limited operates a whole sale business. During the month of March 2023, the company carried out the following transactions;

March 1 Credit sales to Mwikali and Njeri were shs. 200,000 and shs.180, 000 respectively.

March 2 Credit purchases from chebet shs.150, 000 wanbui shs, 700,000, Alfred shs.185,000. They also paid advertisement expenses by cash sh.48, 000.

March 5 Credit sales to Abdallah shs.175, 000,Mwangi shs.320,000 and Mwikali shs.135,000

March 8 Goods returned by Mwikali shs. 2, 800 and Njeri shs. 3,100

March 12 Goods returned by Mworio Limited to Chebet shs. 30,000 and Alfred shs.25, 000



March 27 Paid Wambui her debt in cash after deducting a cash discount of

5% March 28 Receive rent of shs.5, 200

March 29 Sold goods on credit to Njeri shs. 220,000 and Phiniah shs.150, 000

March 30 Goods returned by Phiniah shs.2, 300

Required:

From the information given,

prepare a) Sales journal

ii) Sales returns journal

(12marks)

4. a) Explain five forms of economic integration.  
(10marks)
- b) Describe five channels of distribution that Hannan manufacturer's Ltd can use to distribute their products in Kenya

- 5 . a) The following transactions were extracted from the books of Memsi Traders on 1<sup>st</sup> January

2023 shs

Capital	600,000
Creditor	180,000
Motor van	200,000
Furniture	200,000
Stock	60,000
Debtors	80,000
Cash	240,000

The following transactions took place during the year ended 31<sup>st</sup> January 2023

- i. Sold furniture worth sh. 60,000 for which sh.40,000 Cash was received and the balance was due at the end of the month.
- ii. Purchased goods worth sh.100,000 for which cash of shs.70,000 was paid and the balance was still outstanding at the end of the month
- iii. Cash of shs. 10,000 was taken from the business by the proprietor for personal use

Required: Prepare Memsi's balance sheet as at 31<sup>st</sup> January 2023 (10marks)

b) Distinguish between perfect competition market structure and oligopolistic market structure. (10marks)

6. a) In the recent past celebrities and other social influencers have been instrumental in promoting products over the TIK TOK social media platform. Explain five benefit that business enterprise may enjoy by using social media platform in sales promotion. (10marks)

b) Explain five purposes of public finance. (10marks)

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**FORM 4 BUSINESS STUDIES**

565/2

**BUSINESS STUDIES Paper 2**

2½ hours

**SERIES 10 2024 TOP RANK KCSE PREDICTION MOCK**

**Instructions to candidates:**

- a) Write your name, and Index number in the spaces provided above.
- b) Sign and write the date of the examination in the spaces provided above
- c) Answer ANY 5 questions

QUESTION	SCORE
1	
2	
3	
4	
5	
6	

1(a) Muggediza has been hired by a new manufacturer in Kakamega town as a marketing manager  
.Explain **FIVE** ways she can ensure their business protects consumers. (10mks)

b) Using a diagram, describe the effects of outward shift in supply curve on equilibrium price and quantity. (10mks)

2(a) Explain **FOUR** circumstances that promote downward line communication in an organization. (8mks)

b) The following Trial Balance was extracted from the books of Mumias Auto spares as at 31<sup>st</sup>Oct 2022.

**Mumias Auto Spares**

**Trial Balance**

**As at 31<sup>st</sup> Oct 2022**

	DR	CR
Capital		653,560
Motor vehicle	603,000	
Equipment	200,600	
Furniture	94,400	
Debtors and creditors	75,900	74,300
Carriage on sales	14,400	
Discount		26,400
Salaries	12,400	
Rent Income		12,600
Sales and purchases	300,000	319,400
Advertising	22,200	
Rates	9,400	
Stock 1-11-2021	61,500	
Bank		412,600
Cash	105,060	
<b>TOTAL</b>	<b><u>1,498,860</u></b>	<b><u>1,498,860</u></b>

Stock on 31<sup>st</sup>October 2022 was sh. 80,200

**Required,**

- Prepare Trading ,Profit and Loss account for the year ended 31<sup>st</sup>Oct 2022
- Prepare Balance sheet as at 31<sup>st</sup>October 2022 (12mks)

3(a) Explain **FIVE** circumstances under which a wholesaler would find it advisable to distribute his goods through retailers. (10mks)

b) Explain **FIVE** functions of the central bank of Kenya in the Economy. (10mks)

4(a) Describe FIVE documents promoters of a new company are required to submit to the

registrar of companies to be considered for registration. (10mks)

b) Outline five reasons a firm may consider to locate the establishment near the market for its products. (10mks)

5(a) The following information relates to Situta Distributor Company for the year ended 31<sup>st</sup> Dec 2019  
shs

Gross profit	600,000
Opening stock	285,000
Sales	2,400,000
Purchases	1,830,000
Expenses	360,000
Closing stock	315,000
Fixed assets	400,000
Debtors	900,000
Bank	35,000
Current liabilities	438,000

**Required calculate**

i) Margin (2 ½ mks)

ii) Rate of stock turnover (2 ½ mks)

iii) Return on capital employed (2 ½ mks)

iv) Current ratio (2 ½ mks)

b) Explain **FIVE** ways in which the Entrepreneur contributes to the production of goods.(10mks)

6(a) Describe **FIVE** personal attributes that may be required when an organization is hiring an office clerk. (10mks)

b) Describe **FIVE** means of payment that a trader may use to settle business debts. (10mks)