

KCSE TRIAL 2021
BUSINESS STUDIES PAPER 2

1. (a) Explain **five** factors that will influence the choice of office layout to be adopted by a firm. (10 marks)
(b) Explain **five** advantages of a country belonging to a trading bloc. (10 marks)

2. (a) Explain **five** differences between a public corporation and a private limited company. (10 marks)
(b) Highlight **five** circumstances under which an insurance contract may be terminated. (10 marks)

3. (a) Discuss **five** contributions of an efficient transport to the economic development of a Country. (10 marks)
(b) Explain **five** benefits of retailers to wholesalers (10 marks)

4. (a) Describe **five** factors that may influence the firm's decision on what products to produce. (10 marks)
(b) Explain **five** challenges that may be experienced by a new entrepreneur who has just establish a business in Kenya

5. (a) Explain **five** services offered by commercial banks to business people. (10 marks)
(b) The following transactions relates to David Traders for the month of December 2018.

Dec 1 st	started a business with sh. 200,000 in the Bank account.
2 nd	Bought furniture for sh, 50,000 and paid by cheque
3 rd	Sold goods on credit to Caleb shs, 20,000; Salau 10,000
4 th	Bought goods on credit from Rose sh 30,000; Kinga shs. 40,000
5 th	Returned faulty goods to Rose sh 5,000
6 th	Paid Rose on account by cheque less 10% cash discount.
7 th	Received faulty goods from Caleb shs. 2000
8 th	Received payment due from Caleb and Salau by cheque less 5% cash discount.
9 th	Cash sales shs. 100,000
10 th	Paid for wages shs. 20,000 by cash and electricity shs.10,000 by cheque.

11th Deposited all the cash in hand into the bank account.

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

6. (a) Discuss **five** factors to be considered when making a development plan in a less developed countries. (10 marks)

(b) The following information was extracted from the books of James wholesalers for the trading period ended June 2018.

	Sh
Stock on 30.06.2017	40,000
Purchases	35,000
Sales	70,000
Return inwards	1,500
Return outwards	2,000
Discount allowed	2,100
Insurance	2,000
Transport	1,400
Discount received	8,000
Electricity	2,400
Rent received	3,000
Wages and salaries	5,000
Advertising	2,000
Stock 30. 06.2018	15,000

Prepare a trading profit and loss account for the year ended 30th June 2018. (10 marks)