

ALLIANCE GIRLS HIGH SCHOOL MOCK 2017 BUSINESS STUDIES PAPER 2

1. (a) Explain five negative effects of a large population (10mks)
(b) Explain five circumstances that will lead to a firm to locate near the market (10mks)
2. (a) Explain five advantages of monopoly (10mks)
(b) The following trial balance was extracted from the books of ABC stores during the month of June 2016(10mks)

	Dr	Cr
Capital		215,000
Carriage outwards	7,000	
General expenses	11,400	
Gross profit		55,000
Debtors	82,540	
Creditors		75,000
Land and buildings	200,000	
Loan		98,000
Cash	24,500	
Bank	48,960	
Interest expenses	18,540	
Stock	50,000	
	<u>443,000</u>	<u>443,000</u>

Prepare

- i. The profit and Loss account
 - ii. Balance sheet
3. (a) Explain five reasons why the government trains traders? (10mks)
(b) Discuss five advantages of using M- Banking in Kenya today (10mks)
 4. (a) Explain any five factors that may lead to effective communication (10mks)
(b) Discuss five circumstances under which goods will be transported by rail (10mks)

5. (a) Kamau operates a warehouse in Kawagware. Explain any five insurance policies that would be suitable for him (10mks)

(b) From the transactions give below, prepare a three column cash book for Waihenya traders for the month of April 2016. (10mks)

April 1: Balance cash in hand shs 20,000,

Cash in bank shs 120,000(cr)

April 5: Received a cheque shs 60, 000 from Kamau

April 6: Wangechi, a debtor paid a debt by cheque shs 45,000 after a discount of shs 2,000

April 15: Paid Gakene Ltd shs 6,000 les 10% cash discount by cheque

April 20: Withdrew cash shs 10,000 for personal use

April 28: Deposited into bank shs 100,000 from private sources

6. (a) Illustrate using a graph the effect of war on equilibrium price and quantity (10mks)

(b) Describe the chain of distribution of imported agricultural products (10mks)