

# KENYA HIGH SCHOOL

## POST MOCK EXAMINATIONS BUSINESS PAPER 2 FORM 4, 2021

*Kenya Certificate of Secondary Education*

1. a) Explain five causes of unemployment in Kenya. (10 Marks)  
b) Explain five circumstances that would influence a producer to use wholesalers in distributing his produce. (10 Marks)
2. a) Explain five ways in which the insurance industry contributes to the development of Kenya's economy. (10 Marks)  
b) Explain five demerits of government involvement in the running of public corporations. (10 Marks)
3. a) Explain five factors that may be considered in determining the appropriate channel for distributing goods. (10 Marks)  
b) Explain five reasons why business organizations may merge with one another. (10 Marks)
4. a) Explain five benefits that a country would get by encouraging investors to locate industries in rural areas. (10 Marks)  
b) On 1<sup>st</sup> May 2010 Musa Traders had sh. 15, 000 cash in hand and Sh. 160, 450 at bank. During the month, the following transactions took place.
- |        |  |
|--------|--|
| May 2  | Bought goods for Sh. 5, 400 and paid by cheque.  |
| May 8  | Received sh. 7, 200 cash from a debtor           |
| May 15 | Paid a creditor Sh. 18, 300 by cheque            |
| May 16 | Paid salaries sh 4, 200 in cash                  |
| May 18 | Sold goods for sh. 9, 200 and was paid by cheque |
| May 20 | Withdrew sh. 30, 000 from bank for office use    |
| May 25 | Received sh.8, 000 cash from a debtor            |
| May 28 | Paid general expenses sh. 4, 000 cash.           |
| May 29 | Deposited sh.10, 000 cash in bank                |
| May 30 | Paid for electricity sh. 2, 500 by cheque        |
- Record the above transactions in a two column cash book and balance it off. (10 Marks)
5. a) Explain five ways which traders can apply to attract more customers. (10 Marks)  
b) Explain five factors that could affect the quantity of cabbages supplied in a Market. (10 Marks)
6. a) Explain five factors to consider when choosing an appropriate means of transport. (10 Marks)  
b) The following balances were extracted from the ledger accounts of Bidii traders for the yearended 31<sup>st</sup> December 2010.
- |                  |          |
|------------------|----------|
| Capital          | 940, 000 |
| Bank             | 100, 000 |
| Accrued expenses | 20, 000  |
| Debtors          | 60, 000  |
| Creditors        | 60, 000  |
| Stock            | 100, 000 |

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10 Years Bank loan	200, 000
3 year ICDC loan	100, 000
Vehicle	300, 000
Plant and machinery	200, 000
Land	500, 000
Drawings	40, 000
Cash	20, 000

Using these balances prepare Bidii traders trial balance for that year dully balanced.(10 **Marks**)