

NAME..... INDEX NO.....CLASS.....

ADM.....DATE.....SIGN.....

565/2

**BUSINESS STUDIES**

**PAPER 2**

***Kenya Certificate of Secondary Education (KCSE)***  
**TERM 3 2019**

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

**INSTRUCTIONS TO CANDIDATES**

1. Write your name, school 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	
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1. a) Explain **five** methods and legislations which the Kenyan government has put in place to protect consumers. (10 marks)

b) Explain **five** characteristics of human wants. (10 marks)

2. a) Explain **four** advantages of a bonded warehouse to the importer. (8marks)

b) On 1<sup>st</sup> January 2010, Umoja stores had cash in hand Kshs. 30,000 and at bank Shs. 105,000.

The following transactions took place during the month of January 2010

January	1 <sup>st</sup>	Bought goods in cash	Shs. 20,000
"	2 <sup>nd</sup>	Paid salaries by cash	Shs. 65,000
"	4 <sup>th</sup>	Received a cheque from the following debtors after allowing 2% discount in each case Luka Shs. 9,800, Mwengesh Shs. 19,600, Raju Shs. 10,700 and Alice Shs. 24,500	
"	8 <sup>th</sup>	Paid the following accounts by cheque and in each case deducting 5% discount: Mogi Shs. 30,000, Abdul Shs. 12,000 and Moses Shs. 40,000	
"	10 <sup>th</sup>	Bought office machinery by cheque	Shs. 50,000
"	13 <sup>th</sup>	Juma settled his account of Shs. 20,000 in cash having deducted 2% cash discount	
"	15 <sup>th</sup>	Withdraw Shs. 10,000 for private use	
"	18 <sup>th</sup>	Paid John Shs. 4,750 in cash having deducted 5% cash discount	
"	22 <sup>nd</sup>	Cash sales	Shs. 45,000
"	25 <sup>th</sup>	Received cash Shs. 29,100 from Aberi after having allowed him 30% cash discount	
"	31 <sup>st</sup>	Banked all the cash except	Shs. 12,000

Required: prepare three column cash book and balance it off (12mks)

3. a) Explain **five** benefits of expanding railway transport in Kenya as witnessed in the recent past. (10 marks)

b) Outline **five** uses of National income statistics to a country. (10 marks)

4. (a) Explain **five** limitations of using posters as a medium of product promotion (10mks)

(b) Explain **five** benefits that Kenya may realize if economically viable oil deposits were exploited in Turkana County (10mks)

5. a) Explain **five** services offered by commercial banks to their customers.  
(10marks)
- b) Describe **five** types of unemployment. (10marks)
6. a) Explain any **five** measures a country may adopt to increase its volume of exports. (10 marks)
- b) Explain **five** factors that encourage entrepreneurial development in Kenya.  
(10marks)