

KCSE TRIAL 2019

BUSINESS STUDIES PAPER 2 QUESTIONS

1. a) Explain five ways in which the Central Bank of Kenya acts as a banker's bank. (10mks)
b) Describe five ways in which a customer may settle debts owed to his suppliers of goods.(10mks)
2. a) Discuss five reasons why radio is a popular medium of advertising goods and services for businesses in Kenya. (10mks)
b) Outline five ways in which services provided by wholesalers may benefit retailers. (10mks)
3. a) Explain four macro-environmental factors that might adversely affect the performance of a business. (8mks)
b) The following balances were extracted from the books of Sura Traders for the year ended 30th June 2015:
Sh.
Equipment 80,000

- i) A profit and loss account for the year ended 30th June 2015
. ii) A balance sheet as at 30th June 2015. (12marks)
4. a) Outline five measures that can be taken by producers to protect consumers of their products from being exploited by traders. (10marks)
b) Explain five factors which are likely to influence the level of a county's national income. (10marks)

- 5. a) Explain five ways in which the transport industry contributes to the development of the Kenya economy. (10marks)
- b) Countries in the world are being encouraged to reduce barriers in trading with other countries. Explain five advantages to a country that reduces the barriers in its international trade. (10marks)

- 6. a) Highlands four measures Kenya may take to realize vision 2030. (8marks)
- b) The following details were extracted from the books of Nalondo wholesalers.

Invoices Issued.

2014 Ksh.

March 2 Masika 120,000

March 4 Nangila 60,000

March 10 Masika 150,000

March 25 Nangila 80,000

**Invoice Received
2014**

March 1 Wekesa 220,000

March 3 Wekesa 90,000

March 14 Wabwile 40,000

March 28 Wekesa 110,000
Credit notes sent 2014

March 8 Masika 20,000

March 26 Nangila 16,000

Credit notes Received 2014

Mach 11 Masika 30,000

March 27 Masika 10,000

Prepare journal entries and show the posting of the totals to the relevant ledger accounts. (10marks)

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