

565/2

BUSINESS STUDIES

Form 4

Time: 2 1/2 Hours

2021 TRIAL 3 OCT/NOVEMBER INTERNAL EXAMINATION

Kenya Certificate of Secondary Education (K.C.S.E.)

Name.....

Adm No.....

Stream.....

Date

Sign

GRAND TOTAL

565/2

BUSINESS STUDIES

Form 4

Time: 2 1/2 Hours

INSTRUCTIONS TO CANDIDATES

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KAPSABET BOYS HIGH SCHOOL

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2. (a) Explain five services that the central bank of Kenya offers to commercial banks. (10mks)

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(b) The following information relates to the business of Kipsisigs Traders for the week ended 29th Feb 2016.

- Feb 24th Started business with shs 24,000 in thebank.
- Feb 25 th Bought goods worth shs 18,000 by cheque.
- Feb 26 th Sold goods for cash shs 18,900
- Feb 28 th Cash sales worth Kshs 5,625
- Feb 29 th Paid commission Kshs 900 in cash.

Required
Prepared ledger accounts and balance them off. (10mks)

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(b) The following trial balance was extracted from Milka traders on 31st Dec 2020.

	Dr	Cr
	Sh	Sh
Capital		250,000
Stock	25000	
Machinery	250,000	
Motor vehicle	87000	
Purchase	360,000	
Sales		600,000
Returns inwards	40,000	
Returns outwards		20,000
Discount received		5,000
Carriage inwards	2000	
Carriage outwards	3000	
Bad debts (written off)	80,000	
General expenses	88,000	
Debtors	18,000	
Creditors		49,000
Rent	1000	
	<u>954.000</u>	<u>954.000</u>

Additional information; Closing stock was sh. 22000

Prepare Milka traders Trading, profit and loss account for the year ending 31/12/2020.

(10mks)

4. (a) Explain five reasons why a country imposes taxes on her citizens. (10mks)

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(b) Outline five differences between a public limited company and a cooperative society. (10mks)

Public	Co-operative society

5. (a) Using a diagram illustrate the effects of a positive shift of a demand curve on the equilibrium point, price and quantity (10mks)

