

KALA FORM 4 PRE-TRIAL EXAMINATION

Kenya Certificate of Secondary education

565/2 - BUSINESS STUDIES - Paper 2

MARCH 2025 **2 ½ hours**



Name: Admission No

Class..... Date:School:.....

Instructions to Candidates

INSTRUCTIONS TO CANDIDATES

- Write your details on the spaces provided above.
- This paper consists of six questions.
- Answer any five questions.
- All questions carry equal marks.

FOR EXAMINER'S USE ONLY

Question	Candidate's Score	Maximum Score
1		20
2		20
3		20
4		20
5		20
6		20
Grand Total		

1. a) Explain five reasons why filing office documents for an organization is important. (10 marks)
- b) Explain five barriers to effective communication. (10 marks)

2. a) Explain five benefits of insurance to the Kenyan economy. (10 marks)

b) Nadupoi Enterprises started business with sh. 500,000 in cash on 1st January 2025.

January 2: Deposited sh. 300,000 cash into the business bank account.

3: purchased goods worth 15,000 in cash.

5: Paid Rent sh. 20,000 by cheque

Prepare:

- i) Nadupoi's ledger accounts and balance them off
- ii) Extract a trial balance as of 5th January 2025. (10 marks)

3. a) Explain five measures the government of Kenya may implement to increase employment opportunities. (10 marks)

b) Explain five features Mrs. Kogo should portray as a successful business lady. (10 marks)

4. a) Explain five guidelines followed by a government before spending its funds. (10 marks)

b) The table below represents a farmer's supply of Oranges to a local market.

Year	Quantity
2022	20,000
2023	25,000
2024	30,000

Assuming the price remained constant, explain five possible reasons for the trend in the supply of oranges. (10 marks)

5. a) Explain five monetary policy measures that the Central Bank of Kenya may use to reduce money supply in the economy. (10 marks)
- b) Give five differences between shares and debentures. (10 marks)

6. a) Kenya exports tea to Egypt. Highlight five channels she would use for the exportation. (10 marks)

b) The following information relate to books of Maendeleo Traders for the year ended 31/12/2024.

Current liabilities	sh. 75,000
Mark-up	$\frac{2}{3}$
Sales	sh. 1,200,000
Working capital	sh. 232,500
Stock (31/12/2024)	sh. 120,000
Rate of stock turnover	4.5 times
Expenses	sh. 140,000

Required: Calculate;

- | | | |
|------|---------------|-----------|
| i. | Quick ratio | (2 marks) |
| ii. | Gross profit | (2 marks) |
| iii. | Cost of sales | (1 mark) |
| iv. | Opening stock | (2 marks) |
| v. | Purchases | (2 marks) |
| vi. | Net profit | (1 mark) |

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