**NAME: …………………………………. ADM NO: …………………**

**DATE: …………………………………...CLASS: …………………….**

**BUSINESS STUDIES**

**PAPER 2**

**FORM 4 JANUARY 2023 TERM 1 OPENER EXAMTIME: 2½ HOURS**

**INSTRUCTIONS:**

**ANSWER ANY FIVE QUESTI0NS**

1. a) Explain five measures that can be taken by office to safeguard the property of an organisation. (10mks)

b) Explain five characteristics of property insurance. (10mks)

2. a) Explain five features of cooperative societies. (10mks)

b) Explain five solutions to the unemployment problem in Kenya. (10mks)

3. a) Mrs. Aura started a business on 1st April 2022 with sh. 100,000 in cash and sh. 80,000 in bank. During the month, the following transactions took place:

April 2nd -bought in her own furniture worth sh.20,000 for business use

April 4th -bought stock worth sh.70,000 by cheque

April 9th -deposited cash sh. 50,000 in bank

April 10th -sold goods worth sh.10,000 for sh. 8,000 on credit

April 13th -bought stock worth sh. 10,000 on credit

April 20th – one of her debtors paid sh.5,000 cash

April 25th – took sh.2,000 cash from the business for private use

April 27th – paid creditors sh. 6,000 by cheque

**Required:** Prepare a balance sheet as at 27th April 2022. (10mks)

b) Explain five different forms of utility. (10mks)

4. a) Explain five circumstances under which a producer would eliminate intermediaries from the chain of distribution for a product. (10mks

b). Explain five disadvantages/demerits associated with water transport. (10mks)

5. a) Explain five factors that would lead to an increase in the supply of a product in the market. (10mks)

b) Explain five reasons that would make a producer to build his own warehouse rather than rely on a public one. (10mks)

6. a ) On 1st March 2022 Makau traders had the following balances.

Bank sh.35,000

Cash sh.12,000

The following transactions took place during the month of March 2022.

March 2nd -sold furniture for sh. 8,000 in cash

March 3rd – sold goods sh. 10,000 receiving the money by cheque

March 4th – deposited in the business bank account sh. 18,000 from cash in hand

March 7th – the proprietor took sh. 1,500 in cash for personal use

March 10th – withdrew sh. 5,000 from the business bank account for official use

March 15th -bought goods for sh. 25,000 paying by cheque sh. 20,000 and in cash sh. 5,000

March 20th – withdrew from the bank sh. 1,500 for personal use

March 25th -purchased stationery sh. 500 in cash

March 26th -received sh. 4,000 in cash from Joan

March 28th -received a cheque of sh. 6000 from Buyuka

March 31st -paid rent by cheque sh. 1,200

**Required**: Prepare Makau traders two column cash-book for the month of March 2022. (10mks)

b) Explain five features of human wants. (10mks)