



GOLDLITE ONLINE SERVICES

Kenya Certificate of Secondary Education

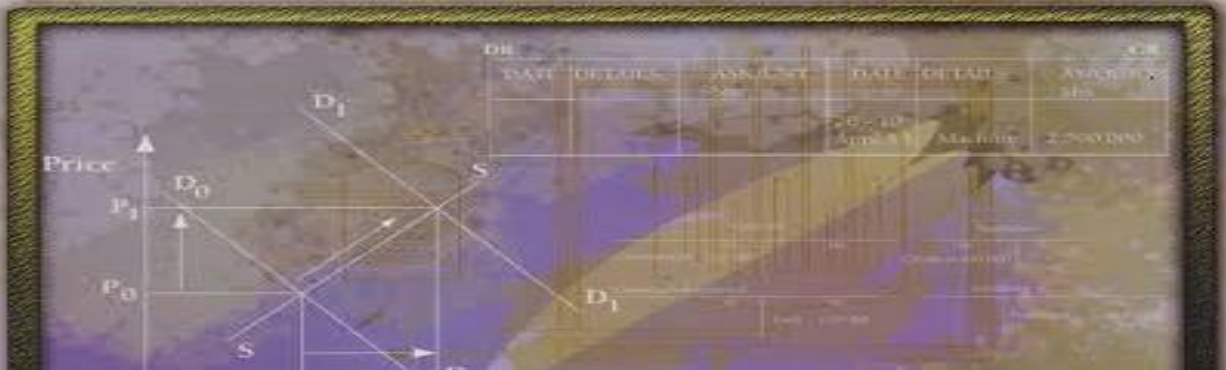
SMARTFOCUS QUICK REVISION SERIES 2025



KCSE
REVISION SERIES

BUSINESS STUDIES

WITH ANSWERS



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**SERIES 1
PAPER 1**

1. Classify the following resources as either natural, man-made or human (4mks)

	Resources	Classification
a)	Carpenters	
b)	Chapati	
c)	Climate	
d)	Tractor	

2. State **four** reasons for the privatization of state corporations. (4mks)

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3. The table below shows the price, quantities demanded and quantities supplied of a product in a market.

Month	July	August	September	October	November	December
Price	3,000	3,000	3,000	3,000	3,000	3,000
Quantity Demanded	18,500	21,030	24,200	26,600	29,020	32,300
Quantity supplied	21,700	23,000	27,100	31,500	34,800	38,710

- Give **four** reasons for the change in quantities supplied from July to December. (4mks)

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4. Outline **four** uses of a General journal. (4mks)

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 5. In the spaces below, indicate the type of utility created by each of the following commercial activities. (4mks)

	Commercial activity	Type of utility
a).	Buying bread from the canteen	
b).	Distributing milk to customers	
c).	Warehousing	
d).	Grinding maize to flour	

6. Outline **four** ways in which mass media can protect consumers from exploitation. (4mks)

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7. Highlight **three** ways in which the producers may conserve the environment as they carry out their activities. (3mks)

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8. The following information relates to Koimur stores.

	Ksh.
Fixed assets	681,500
Current Liabilities	99,700
Current Assets	286,650
Capital	468,450
Sales	920,000
Long term liabilities	400,000
Gross profit	120,000

Calculate:

- a). Working capital (1mk)
 b). Capital employed (1mk)
 c). Mark up (2mks)
 d). Margin (1mk)

9. Outline **four** advantages of hire purchase terms of sale to a buyer. (4mks)

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10. Highlight **four** benefits of transport to a trader. (4mks)

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11. Outline **four** sources of monopoly power. (4mks)

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12. Give **four** features that a commodity must have to perform as money. (4mks)

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13. Outline **four** benefits to a producer who owns his own warehouse. (4mks)

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14. State **four** reasons why a producer would sell her products directly to consumers. (4mks)

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15. State **four** non tax sources of public finance. (4mks)

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16. Describe the meaning of the following insurance policies. (4mks)

a) Endowment policy

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b). Comprehensive motor policy

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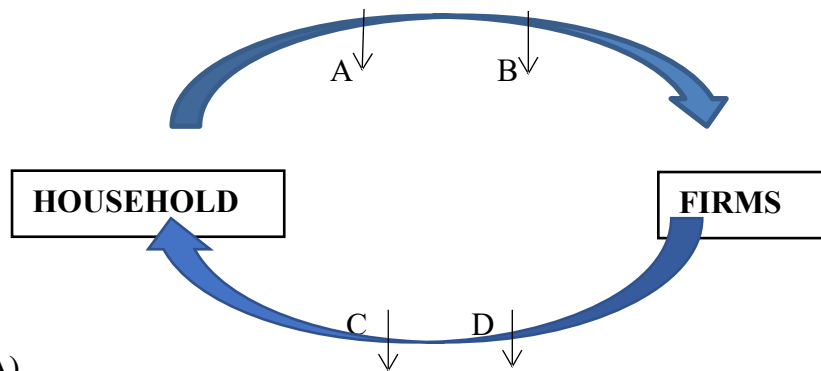
c). Constructive total loss policy

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d). Public liability policy

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17. Identify the injections and withdrawals in the circular flow of income diagram below. (4mks)



- A)
- B)
- C)
- D)

18. The average consumer price of a loaf of bread for various years is shown below.

Year	Consumer price (Ksh)	Consumer price index
2020	40	100
2021	50	
2022	55	
2023	60	
2024	65	

If the consumer price index for the year 2020 is 100%. Calculate the consumer price index for using 2020 as the base year. (4mks)

19. Outline **four** reasons why producers need to observe ethics in product promotion. (4mks)

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20. Describe the following types of unemployment in an economy. (4mks)

a). Seasonal unemployment

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b). Involuntary unemployment

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c). Frictional unemployment

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d). Voluntary unemployment

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21. From the table below, identify the term of sale described as used in international trade. (4mks)

	Description	Term of sale
a).	The price quoted includes all expenses incurred until the goods are delivered in the bonded warehouse.	

b).	The exporter is willing to accept the quoted price or any other nearest to the quoted one.	
c).	Price quoted includes transport expenses up to the docks as well as dock charges, loading onto the ship and any other expense are paid by the importer.	
d).	Price quoted includes all expenses up to the port of destination as well as unloading charges.	

22. State the effect of the following transactions on the balance sheet totals by writing increase, decrease, or no effect in each case. (4mks)

	Transactions	Effect
a).	Purchased stock on credit sh. 10,000	
b).	Withdrew stock worth sh. 2,000 for family use.	
c).	Paid a creditor sh. 7,000 by cheque	
d).	Took a cooperative loan sh. 30,000 and deposited in bank account.	

23. Outline **four** benefits to a country that prepares development plans. (4mks)

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24. Outline **four** ways in which the technological environment may positively influence a business. (4mks)

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25. The following transactions took place in the business of Highlands’s retail shop in the month of June 2023.

- June 1: Commenced business with Ksh. 120,000 in cash.
- June 4: Transferred Ksh. 66,000 from business till to the bank.
- June 13: Brought his private furniture worth Ksh. 15,000 in the business.
- June 28: Borrowed a loan from ABC bank in cash Ksh. 40,000

Required: Open ledger accounts to record the above transactions.

1. (a) Explain **five** documents used in home trade that are sent by the seller to the buyer (10 marks)

(b) Wamae enterprise runs a general merchandise business. The transactions during the month of August 2023 were as follows:

2023

August 1: The business bought goods worth sh. 80,000 on credit from silver stores.

August 4: Sold goods on credit to Nandi traders sh. 60,000.

August 8: Sent Nandi traders a credit note for goods returned. Which was valued at sh.27,000.

August 10: Sold goods on credit to Otieno sh. 60,000.

August 12: Purchased goods from Nandwa Ltd for sh. 120,000 on credit.

August 15: Purchased goods on credit from Njeri for sh. 30,000.

August 16: Sent Otieno a credit note for goods returned worth sh. 6,000.

August 18: Nandwa ltd sent us a credit note for sh. 30,000.

August 19: received a credit note from silver store worth sh. 20,000

Required:

Prepare the relevant journals to record the above transactions (10 marks)

2. (a) Explain **five** factors that a school Principal would consider when choosing a means of communication to invite parents for an academic day. (10marks)

(b) Outline **five** uses of national income statistics in an economy. (10 marks)

3. (a) Other than the forces of demand and supply explain other **five** ways in which prices of products can be determined in a market. (10 marks)

(b) Explain **five** benefits of economic integration to a country (10 marks)

4. (a) Explain **five** factors to consider when determining the location of a firm (10marks)

(b) Outline **five** differences between a commercial bank and non-bank financial institutions. (10 marks)

5. (a) Explain **Five** Factors that can lead to the success of a Business. (10 Marks)

(b) Explain **five** measures that can be used to control demand pull inflation . (10 marks)

6. (a) Explain **four** circumstances that may lead to dissolution of a public limited company. (8 marks)

(b) The following balances were extracted from the books of Koilegen Traders on 1st October 2022. (12 marks)

Sh.

Capital	4,200,000
Creditors	1,330,000
Motor Van	1, 800,000
Furniture	1,500,000
Stock	500,000
Debtors	780,000
Cash	40,000
Bank	2,000,000
ABSA bank loan	1,090,000

The following transactions took place in the month of October 2022.

- a) Sold some furniture Sh. 710,000 for which Sh. 440,000 cash was received and the balance was to be paid later.
- b) Bought goods Sh. 950,000 and paid Sh. 620,000 by cheque and the balance was to be paid later.
- c) The proprietor took Sh. 120,000 cash to pay his child school fees.
- d) Sold goods worth Sh. 1,100,000 for Sh. 1,900,000 by cheque.

Required:

Draw Koilegen Traders balance sheet as at 31st October 2022 and show the items in the relevant classes.

SERIES 2
PAPER 1

1. Classify the following resources as renewable or non-renewable resources. (4 Marks)
- a) Hydro-electric power _____
 - b) Building stones _____
 - c) Gasohol _____
 - d) Soda ash _____

2. Highlight **four** ways in which the economic environment may positively influence the operations of a business (4 Marks)

- (a)
- (b)
- (c)
- (d)

3. The following items relates to Subukia Traders as at 30th March 2023.

	Ksh.
Buildings	250,000
Creditors	30,000
Five year loan	180,000
Stock	100,000
Cash in hand	60,000
Cash at bank	45,000
Debtors	15,000
Bank overdraft	24,000

Determine Subukia Traders capital as at 30th March, 2023. (4 Marks)

4. Outline **four** circumstances under which air transport may be used by a trader. (4 Marks)

- (a)
- (b)
- (c)
- (d)

5. Identify the book of original entry related to the following source documents. (4 Marks)

	Source Document	Book of original entry
(a)	Invoice issued	
(b)	Credit note received	
(c)	Receipt issued	
(d)	Invoice received	

6. Outline **four** roles played by intermediaries in the chain of distribution. (4 Marks)

- (a)
- (b)
- (c)
- (d)

7. The Kenyan government has increased taxes on various products. Outline **four** reasons for this trend. (4 Marks)

- (a)
- (b)
- (c)
- (d)

8. Outline **four** features of property insurance. (4 Marks)

- (a)
- (b)
- (c)
- (d)

9. State **four** functions of the entrepreneur in production of goods and services. (4 Marks)

- (a)
- (b)

- (c)
- (d)
10. Give a brief description of the following trends in forms of business units. (4 Marks)
- a) Franchising
-
-
-
- b) Amalgamation
-
-
-
- c) Check-off system
-
-
-
- d) Privatization
-
-
-
11. Highlight **four** circumstances under which a Chief Executive Officer may decide to use to letters in communicating to his staff. (4 Marks)
- (a)
- (b)
- (c)
- (d)
12. Outline **four** effects of an increase in demand for a commodity when supply remains constant. (4 Marks)
- (a)
- (b)
- (c)
- (d)
13. Highlight **four** limitations of using per capita income to compare standards of living between Kenya and China. (4 Marks)
- (a)
- (b)

- (c)
- (d)

14. State the effect of the following transactions on the balance sheet totals. (4 Marks)

Business transaction	Effect on balance sheet total
a) The sole proprietor brought additional capital to the business.	
b) Sold goods by cash.	
c) Paid outstanding loan by cheque	
d) Disposed an outdated computer at a loss	

15. The following balances relates to the retail business of Naisula for the month of April 2021

Sales	120,000
Expenses	20% of sales
Cost of goods sold	80,000

Calculate:

- (i) Mark up. (1 Mark)
- (ii) Margin. (1 Mark)
- (iii) Total expenses. (1 Mark)
- (iv) Net profit. (1 Mark)

16. The inflation levels vary from one country to another. State any **four** levels that can be experienced in different economies of the world. (4 Marks)

- (a)
- (b)
- (c)

(d)

17. List **four** forms of open trade credit. (4 Marks)

(a)

(b)

(c)

(d)

18. State **four** reasons why many organizations prefer an open office plan for employees (4 Marks)

(a)

(b)

(c)

(d)

19. Highlight **four** duties performed by commercial attaches in trade promotion (4 Marks)

(a)

(b)

(c)

(d)

20. State **four** benefits of bonded warehouses to the government (4 Marks)

(a)

(b)

(c)

(d)

21. Outline **four** measures that the government of Kenya can implement so as to encourage the establishment of firms in different counties across the country. (4 Marks)

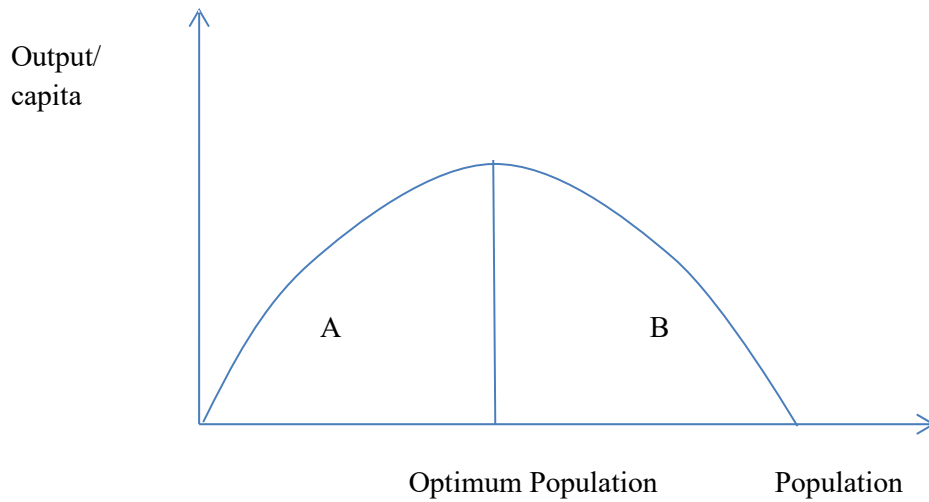
(a)

(b)

(c)

(d)

22. Study the following diagram.



Mention **four** challenges facing a country whose population is in the part marked B (4 Marks)

- (a)
- (b)
- (c)
- (d)

23. Give the name of the type of ledger where the accounts given below are kept (4 marks)

Account	Type of Ledger
a) Purchases	
b) Gilanis (Supplier)	
c) Salaries & Wages	
d) Drawings	

24. State **four** factors that influences the amount of money one can hold for transaction motive (4 marks)

- (a)
- (b)

- (c)
- (d)

25. Describe the following documents as used in International trade (4 marks)

a) Import license

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.....

b) Certificate of origin

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c) Bill of lading

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.....
.....

d) Letter of credit

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.....

1. (a) Explain **five** importance of a business plan to an entrepreneur. (10 marks)
- (b) Explain **five** factors that may hinder development of a country. (10 marks)
2. (a) Explain **five** functions of commercial banks in an economy. (10 marks)
- (b) Outline the differences between co-operatives and partnership. (10 marks)
3. (a) Explain **five** reasons for government involvement in business. (10 marks)
- (b) On 1st September 2020, Kiptala Traders had cash in hand of Shs.100,000 and a bank overdraft of Shs.15,000. The following transactions took place during the month.

Sept. 2: Bought goods in cash Shs.15,000.

Sept. 5: Received the following cheques from debtors after allowing a 2% discount in each case: Larry Kshs.9800 and Moryn Shs.14,700.

Sept. 7: Paid the following accounts by cash in each case deducting a 5% cash discount: Silas Shs.30,000 and Brayon Kshs.12,000.

Sept. 9: Sold goods on credit to Kimutai Sh. 12,000

Sept. 12: Kipsang settled his account of Kshs.20,000 in cash after deducting 2% cash discount.

Sept. 13: The cheque received from Larry was dishonoured

Sept. 14: Made net sales Shs.25,000 where cash Sh. 15,000 was received
And the balance to be paid later

Sept. 15: Received a cheque from Abdul Shs.29,100 after allowing him a 3% cash discount.

Sept.16: Deposited all cash into the bank account except Shs.16,700.

Required:

Prepare a **three** column cashbook and balance it off. (10 marks)

- 4 (a) Explain **five** types large scale retailer. (10 marks)
- (b) Kenya's trade with Singapore indicates a Balance of payment deficit against Kenya. Explain **five** measures that Kenya can take to correct such balance of payment disequilibrium (10 marks)
5. (a) Rashid Holdings, a Steel selling business intends to promote her products around the country. Explain **four** factors that it must consider when choosing an appropriate method of product promotion. (8 marks)

- (b) The following trial balance relates to progressive traders as at 31st Dec 2022

PROGRESSIVE TRADERS

TRIAL BALANCE

AS AT 31ST DEC 2022

Particulars	Dr	Cr
Purchases/sales	349,000	582,000
Debtors/Creditors	51,000	62,000
Motor vehicle	600,000	
Drawings	30,000	
Returns	22,000	19,000
Carriage in	10,000	
NCBA loan		170,000
Furniture and fittings	45,000	
Discounts	25,000	36,000
Stock (1/1/2022)	40,000	
Carriage outwards	7,000	
Rent		24,000
Advertising	13,000	
Land and Buildings	500,000	
Access Bank loan		210,000
Interest on loans	48,000	
Cash at bank	150,000	
Cash in hand	28,000	
Capital		815,000
Totals	1,918,000	1,918,000

Additional information.

Stock as at 31st December 2022 was valued at Kshs.30,000

Required.

- i. Prepare a trading, profit and loss account for the year ended 31st December 2022. (7 Marks)
 - ii. Develop a balance sheet for Progressive traders as at 31st December 2022. (5 Marks)
6. (a) Explain **five** factors influencing the type of goods and services to be produced. (10 marks)
- (b) Outline **five** features of monopolistic competition market structure. (10 marks)

**SERIES 3
PAPER 1**

- 1. Outline **four** causes of business failure (4 marks)

- 2. Outline **four** circumstances under which goods can be transported using containers (4marks)

- 3. Highlight **four** characteristics of money (4marks)

- 4. State the type of product market described below (4 marks)
 - a. **Buyers and sellers have perfect knowledge of the market**
.....

 - b. **Only one seller in the industry**
.....

 - c. **Many sellers dealing with differentiated products which are close substitutes**
.....

 - d. **Few sellers and many buyers**
.....

- 5. Mention **four** characteristics of a good filing system (4 marks)

- 6. Highlight **three** uses of ledger accounts (3 marks)

- 7. State the term given to each of the following statements as used in business studies (4marks)

Statement.	Term
a. Movement of goods and services from the producer to consumer	
b. Creation of goods and services	
c. Using a good or service	
d. Satisfaction derived from using a good or service	

8. Highlight **four** circumstances under which a partnership may be dissolved. (4 marks)

9. Taxation is the main source of public revenue. Highlight **four** demerits of taxation (4 marks)

10. The following information was extracted from the books of Wembe traders (5 marks)

Capital Ksh. 1,119,300

Long term liabilities Ksh. 1,807,000

Current Liabilities. Ksh 978,700

Determine Wembe traders rate of return on capital employed if the business made a net profit of Ksh. 438,945

11. Outline **four** channels of distribution of imported sugar (4marks}

12. Miundo Academy's bus was involved in an accident. Highlight **five** steps the school should take while claiming for compensation (5marks)

13. State **four** characteristics of capital as a factor of production. (4marks)

14. Highlight **four** types of demand of a commodity. (4 marks)

15. Sacco's have become very popular in Kenya today. Outline **four** reasons behind their popularity (4 marks)

16. Outline **four** advantages of open office layout. (4 marks)

17. The following information relates to Nyandarua stores as at 31/12/2023

Cash sh. 70,000

Creditors sh. 22,000

Bank overdraft sh. 5000

Furniture and fittings sh. 105,000

Premises sh. 50,000

Cash at bank sh. 33 000

AFC loan Sh. 120,000

Prepare a balance sheet as at 31/12/2023

(5 marks)

18. State the level of production that matches the following occupations

Occupation	Level of production
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a. Carpentry

.....

b. Lumbering

.....

c. Fishing

.....

d. Banking

.....

19. Outline **four** methods of government involvement in business.

(4 marks)

20. Outline **three** causes of unemployment in Kenya
(3marks)

21. State **four** classification of goods produced in an economy

(4 marks)

22. State **three** motives that would make a person retain part of his wealth in cash

(3marks)

23. State **four** sources of a business idea.

(4 marks)

24. State the account to be debited and credited from the following transactions

(4 marks)

Transaction.	Debit.	Credit
a. Bought a motor van in cash sh. 700,000

- b. Paid Maina by cheque sh. 6,000
-
- c. Converted his house to a business premises
-
- d. Took sh. 7,000 from the bank for business use
-

25. Highlight four internal diseconomies of scale to a firm as a result of expansion. (4 marks)

PAPER 2

1. a) Explain **five** factors that may promote entrepreneurship in Kenya. (10 Marks)
b) There has been a decline in demand for leather jackets, explain **five** factors that may have caused this. (10 Marks)
2. a) Explain **five** positive effects of inflation to the economy. (10 Marks)
b) Explain **five** causes of balance of payments disequilibrium. (10 Marks)
3. a) Explain **five** benefits that a private limited company may enjoy by changing to a public limited company. (10 Marks)
b) Explain the functions of the following documents as used in home trade (10 Marks)
 - i). Invoice
 - ii). Debit note
 - iii). Credit note
 - iv). Receipt
 - v). Statement of account

4. a) The following trial balance relates to XYZ ltd.

XYZ limited
Trial Balance
As at 31st Dec. 2013.

Details	Dr	CR
	Kshs	Kshs
Capital		800,000
Opening stock	200,000	
Purchases	680,000	
Returns	50,000	80,000
Discount	80,000	45,000
Carriage inwards	42,000	
Debtors and creditors	200,000	105,000
Sales		1,200,000
Motor vehicles	750,000	
Furniture and fittings	250,000	
Rent	50,000	60,000
Bank overdraft		42,000
Carriage outwards	30,000	
Additional information: Closing stock was valued at shs. 80,000		

Required:

- Prepare XYZ limited Trading, profit and loss account (10 Marks)
 - b) Explain any **five** sources of public finance (10 Marks)
5. a) Describe **five** types of advertising techniques used in product promotion. (10 Marks)
b) Explain **five** advantages of a bonded warehouse to the importer. (10 Marks)

6. a) Describe **five** government-initiated methods that help in the protection of consumers from exploitation by dishonest traders (10 Marks)

b) The following opening balances were extracted from the books of Masinga Traders on 1st May 2023

Details	sh
Furniture	56,000
Capital	80,000
Creditors	20,000
Debtors	25,000
Bank	11,000
Cash	8,000

The following transactions took place in the course of the month:

- Paid a creditor sh 4,500 in cash
- Took sh 3,000 from the bank for family use
- Bought stock sh 18,600 on credit
- Acquired a 10 year bank loan sh 165,000 which was credited to the business bank account
- Purchased land worth sh 82,000 paying by cheque
- Converted a family table worth sh 55000 to business use
- Received sh 7,300 in cash from debtor.

Required: Prepare Masinga Traders Balance sheet at the end May 2023. (10 Marks)

**SERIES 4
PAPER 1**

1. Define the following disciplines as used in business studies. (4 marks)

Accounting

.....

Commerce

.....

Economics

.....

Entrepreneurship

.....

2. State whether each of the following falls under manufacturing or constructive production.

(3 marks)

Activity	Manufacturing or constructive production
a) Food processing	
b) House building	
c) Cloth making	

3. State **four** factors that limits use of credit cards. (4 marks)

- a)
- b)
- c)
- d)

4. State **four** ways in which economic environment may lead to business success. (4 marks)

- a)
- b)
- c)
- d)

5. Outline **four** circumstances under which a trader would use containers to transport goods.

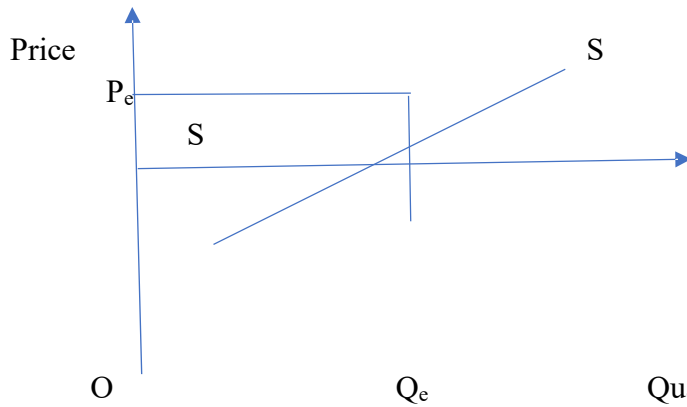
(4 marks)

- a)
- b)
- c)
- d)

6. Outline **four** statistics that are associated with the measurement of national income using the income approach. (4 marks)

- a)
- b)
- c)
- d)

7. The diagram below shows the current supply of hides. (4 marks)



- a) What is the effect of a decrease in the price of beef on the supply for hides? (1 mark)
.....
- b) Draw a new supply curve on the diagram above to show the effect of a decrease in price of beef on the supply for hides. (3 marks)

8. Highlight **four** ways through which the government may protect consumers from exploitation by unscrupulous traders. (4 marks)

- a)
- b)
- c)
- d)

9. The following information was extracted from the books of Mawindo Traders for the month of September 2015.

Credit notes received		<u>Kshs</u>
September 2015; 3	Nithi	4,000
4	Grace	190,000

- a) Give the transactions that took place on; (2 marks)
 - 3rd
 - 4th
- b) Record the above transactions in the relevant ledger accounts. (2 marks)

10. Outline **four** circumstances under which a manufacturer would not require a lot of warehousing facilities. (4 marks)

- a)
- b)
- c)
- d)

11. Highlight **four** ways through which entrepreneurs contribute to growth of an economy. (4 marks)

- a)
- b)

- c)
- d)

12. In the table below, name the type of error made in each of the given transactions. (4 marks)

Transaction	Type of error
a) A debtor for sh.25,000 settled her account by cheque less 5% cash discount. The only records that were made was in respect of cheque received	
b) An invoice for sh.750,000 received from Kasim was recorded in the affected accounts as sh.570,000	
c) Sale of old office furniture was recorded in sales account	
c) Payment of sh.4,000 to Muinamo was recorded in Munene's account	

13. Give **four** disadvantages of along chain of distribution of goods to a customer. (4 marks)

- a)
- b)
- c)
- d)

14. Name **four** ways of reproducing documents in an office. (4 marks)

- a)
- b)
- c)
- d)

15. Identify the type of advertisement given by the following descriptions. (4 marks)

Description	Type of advertisement
a) Creates awareness of the product	
b) Promotes the name of the manufacturer	
c) Famous sperson is used in advertisement	
d) Promotes a particular brand of a product	

16. Highlight **four** measures to control demand pull inflation. (4 marks)

- a)
- b)
- c)
- d)

17. Give **four** reasons why Less Developed Countries are reluctant in implementing Free Trade Agreements. (4 marks)

- a)
- b)
- c)
- d)

18. Outline **four** negative effects that may be associated with unemployment. (4 marks)
- a)
- b)
- c)
- d)
19. Outline **four** services that the Central Bank of Kenya may offer to commercial banks. (4 marks)
- a)
- b)
- c)
- d)
20. A car worth sh. 2,000,000 was insured against an accident for sh. 1,500,000. The car was involved in an accident and the remains were worth sh. 600,000. Calculate the amount of compensation. (4 marks)
21. Outline **four** advantages of using courier services in sending mail and parcels. (4 marks)
- a)
- b)
- c)
- d)
22. The following information relates to Kanga Traders for the period ended 1/11/2022.

	<u>Shs</u>
Stock 31/12/2022	23,000
Turnover	65,000
Stock 1/11/2023	35,000
Gross profit	20,000
Expenses	10,000

Prepare Trading, Profit and Loss account. (5 marks)

23. State **four** ways in which the running of public corporations may be improved. (4 marks)
24. Give **four** types of external diseconomies of scale. (4 marks)
25. The following balances were extracted from the books of Atieno Enterprises as at 30th June 2023.

Item	Kshs.
Furniture	80,000
Salaries advance	25,000
Debtors	45,000
Creditors	65,400
Prepaid rent	3,000
Cash	190,000

Prepare a balance sheet showing total fixed assets, total current assets, total current liabilities. (4 marks)

PAPER 2

Answer any five questions.

1. a) Highlight **five** differences between Direct Production and Indirect Production. (10 marks)
b) Explain **five** reasons why the use of carts is not popular within your area. (10 marks)

2. a) Explain **five** benefits of locating similar firms in one particular area. (10 marks)
b) Explain **five** reasons for imposing trade restrictions. (10 marks)

3. a) On 1st July 2023, Kaluma General Stores had Sh. 20,000 cash and a bank overdraft of Sh.45,000. During the month the following transactions took place.

2023:

July 2 : Cash sales banked directly Sh. 40,360.

“ **4** : Bought furniture worth Sh. 5,600 cash.

“ **6** : Received a cheque of Sh. 17,300 from Omundu after allowing him a cash discount of Sh.3,700.

“ **9** : Paid Matayo, a creditor Sh. 65,800 by cheque after deducting 6% cash discount.

“ **14** : Paid salaries Sh. 8,000 in cash.

“ **17** : Omondi, a debtor settled his account of Sh. 105,000 by cheque less 10% cash discount.

“ **24** : Withdrew Sh.50,000 from bank for office use.

“ **28** : Purchased goods worth Sh. 20,000 cash.

“ **30** : Banked all cash except Sh. 3,000.

Required.

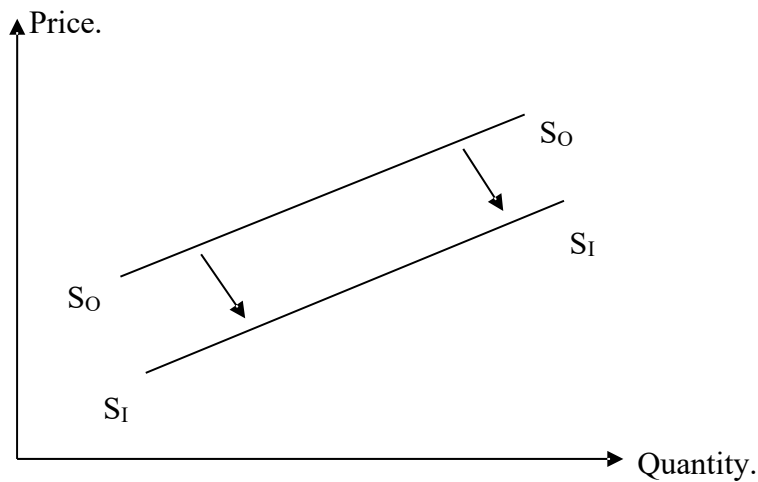
Prepare a three-column cashbook of Kaluma General Stores for the period ending 31st July 2023.

(12 marks)

b) Explain **four** circumstances under which a buyer may return goods to the seller. (8 marks)

4. a) Explain **five** roles of money in the economy of Kenya. (10 marks)

b) The diagram below shows changes in the supply curve.



Explain **five** factors that may have caused the shift from S_0S_0 to S_1S_1 . (10 marks)

5. a) Explain **five** circumstances under which a partnership may be dissolved. (10 marks)

b) The following transactions relate to Oletipis and sons Limited for the month of October 2023.

2023:

Oct. 5 : Sold goods on credit to Odongo at Sh. 70,000 and Achieng at Sh. 20,100.

“ 6 : Credit purchases from Muhindi Mweusi Stores worth Sh. 40,000.

“ 8 : Odongo returned goods worth Sh. 19,000.

“ 13 : Purchased goods on credit from Abdul Sh. 43,300 and Ojwang’ stores Sh. 50,050.

“ 15 : Goods were returned to Muhindi Mweusi Stores Sh.8,000 and Abdul Sh.3,450.

“ 26 : Credit sales to Omoyo Sh. 5,500, Nyamu sh.15,000 and Wanyama Sh. 13,000.

“ 31 : Goods worth Sh. 3,000 were returned by Achieng.

Required.

Prepare the relevant journals. (10 marks)

6. a) Mwafaka construction limited wishes to purchase new office equipment. Explain **five** factors they should consider when choosing an office equipment. (10 marks)

b) Explain **five** circumstances under which one would use personal selling to promote his/her products. (10 marks)

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**SERIES 5
PAPER 1**

1. Name four methods of reproducing documents. (4marks)

2. Classify each of the following items as either basic or secondary. (4marks)

Items	Type
a) Biscuits	
b) Shoes	
c) Medicine to the sick	
d) Security	

3. State four Features of effective communication. (4marks)

4. Highlight four characteristics of a good tax system. (4marks)

5. The following information relates to Uwezo Traders for the year ended 31st December 2022.

Sales	480,000
Stock (1/1/2022)	60,000
Stock (31/12/2022)	30,000
Margin	25%

Determine;

- (i) Gross profit (1 mark)
(ii) Cost of sales (1 mark)
(iii) Rate of stock turnover (2 marks)
6. Under what four circumstances would it be advisable for a manufacturer to sell his product directly to the consumer. (4marks)

7. State four ways in which the government can increase demand for bread in the country. (4marks)

8. Identify the type of unemployment described in the statement in the table below. (4marks)

Description	Type of unemployment
a) Improvement in technology	

b) Occurs repeatedly at similar times	
c) Where workers capability are under utilized	
d) Where demand for labour is irregular	

9. Outline four factors limiting the roles of consumer associations in Kenya (4marks)

10. State four structural changes that may take place when a country is experiencing economic development. (4marks)

11. State four demerits of division of labour. (4marks)

12. State reasons why it's suitable to locate bonded warehouse at the point of entry. (4 marks)

13. The country Kenya is experiencing rapid inflation, highlight four measures that the government may put in place to control aggregate demand for the goods and services. (4marks)

14. List four various policies available under marine insurance policy. (4marks)

15. The balance sheet of Makelele Wholesale had a capital of SH 347,000 as at 1st January 2023. During the year he brought cash amounting to Sh 100,000 from his own source while drawings were Sh 6,000. Calculate his final capital as at 31st December 2024 if he realize a profit of Sh 123,000. (4marks)

16. Identify four items included in computing national income using income approach. (4marks)

17. Outline four function of central Bank to the government. (4marks)

18. Complete the table below. (4marks)

Capital	Liabilities	Assets
?	21,920	30,410
3,788	?	11,021
421,009	11,457	?
?	108,977	75,621

19. Outline four forms of economic integration (4marks)

20. Highlight four measures that have been in place by government Kenya to curb road carnage. (4marks)

21. State four uses of Proforma invoice in home trade. (4marks)

22. State four ways through which an entrepreneur can improve business operations internally. (4marks)

23. Record the following transaction in the relevant ledger account of Mwita (4marks)
2024

March 1st Started a business with cash in hand worth 980,000

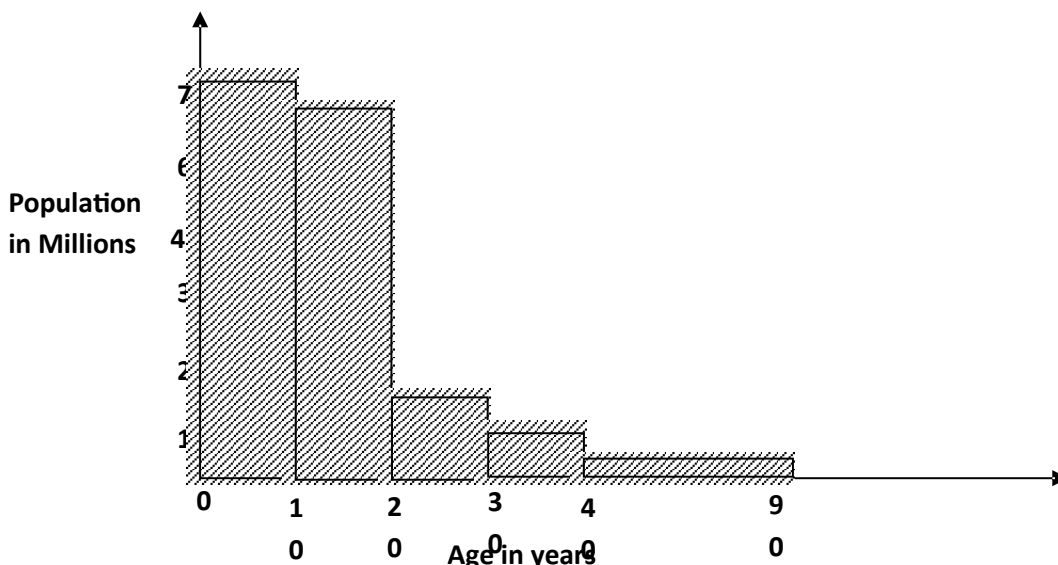
2nd Borrowed loan amounting to 79,500 from Chase Bank and deposited in business bank account

17th Withdrew 9500 from the bank for office use .

20th Took 10000 from the bank to pay part of the loan.

24. Outline four causes of business success (4marks)

25. The diagram below shows a population pyramid for a certain country



Give four challenges facing this country. (4marks)

PAPER 2

- 1(a) Explain five benefits of advertising to the customer (10 marks)
- (b) Explain five merits of localization of firms (10 marks)
- 2(a) Explain five characteristics of economic resources (10 marks)
- (b) Explain five factors that may cause unfavourable balance of payments to a country. (10 marks)
- 3(a) Explain five factors that may lead to distortions of the message during communication (10 marks)
- (b). Give five differences between perfect competition and monopoly (10 marks)
- 4(a) Explain five challenges of embracing use of office machine in office operations (10marks)
- (b) Explain five problems associated with expenditure approach (10 marks)
- 5(a) Explain five reasons why individuals may decide to come together to start a partnership business (10 marks)

- b). The following opening balances were extracted from the books of K.M traders on 1st January 2023

Details	Sh
Furniture	56,000
Capital	80,000
Creditors	20,000
Debtors	25,000
Bank	11,000
Cash	8,000

The following transactions took place in the course of the month

- (i). Paid a creditor shs 4,500 in cash
- (ii). Took shs 3,000 from the bank for family use
- (iii). Bought stock shs 18,600 on credit
- (iv). Acquired a 10 year bank loan shs 165,000 which was credited to the business bank account
- (v). Purchased land worth shs 82,000 paying by cheque
- (vi). Converted a family table worth sh 5,500 to business use
- (vii). Received shs 7,300 in cash from debtors

Required; Prepare K.M Traders balance sheet at the end of January 2023. (10 marks)

- 6(a) Explain five importance of observing ethical issues in business (10 marks)

(b) The information below relate to the trial balance of Songo Traders as at 30th June 2017.

Songo Traders

Trial balance as at 30 June 2017

Particulars	Dr shs.	Cr shs.
Stock on 30/6/2016	400	
Capital		13,870
Purchases and sales	3,500	7,000
Drawings	600	
Furniture and fittings	2,000	
Motor vehicle	15,000	
Debtors and creditors	800	1,200
Returns	150	200
Discounts	90	80
Rent		100
Insurance	210	
Bank		300
Stock on 30/6/2017	500	

Required :

(i). Prepare Songo trading, profit and loss account for the year ended 30/6/2017.

(ii). Balance sheet as at 30/6/2017

(12mks).

**SERIES 6
PAPER 1**

1. Give four disadvantages of a long chain of distribution of goods to a buyer (4 marks)

- a)
- b)
- c)
- d)

2. The following balances were extracted from Mwangaza traders books of accounts.

	Shs.
Opening stock	25,000
Closing stock	35,000
Purchases	190,000
Mark - up	20%

Calculate:

i) Cost of sales (1 mark)

ii) Gross profit (1 mark)

iii) Sales (1 mark)

iv) Rate of stock turnover (ROSTO) (1 mark)

3. For each of the following statements, give the type of unemployment described (4 marks)

Statements / Description	Type of unemployment
a) Arise due to mismatch of skills and labour, market demands.	
b) A person has absolutely nothing to do	
c) Arises when there is a change in methods of production	
d) Arises when the number of people exceeds those that are required	

4. List **four** documents prepared by the buyer in home trade. (4 marks)

- a).....

- b).....
- c).....
- d)

5. Highlight **four** merits of direct tax as a source of revenue to the government (4 marks)

- a)
- b)
- c)
- d)

6. Outline **four** ways the economic environment influence business activities (4 marks)

- a)
- b)
- c)
- d)

7. Highlight four roles of advertising agencies in product promotion (4 marks)

- a)
- b)
- c)
- d)

8. Highlight **four** ways in which the government of Kenya promotes entrepreneurial development (4mks)

- a)
- b)
- c)
- d)

9. State the name of the source document used to record the following transactions (4mks)

Transaction	Source Document
a) Received goods returned by a buyer who bought them earlier on credit	
b) Making of payment to a casual workers at the end of the week	
c) Bought goods for sale from Gilanis Supermarkets on credit	
d) A customer, Adhiambo, send a cheque for goods she bought earlier on credit	

10. Kivuli Youth Group wants to start a warehouse service business in their ward. State any **four** essential factors they should consider for their warehouse to function effectively.(4mks)

- a)
- b)
- c)
- d)

11. National income from expenditure approach is calculated as follows:

$$NI = C + I + G + (X-M)$$

State the meaning of the following: (4mks)

- (i) C.....
- (ii) I:
- (iii) G
- (iv) X-M:

12. With suitable examples, explain the meaning of the following terms as used in demand.

(a) Joint demand (2 marks)

(b) Derived demand. (2 marks)

13. Nyeri county has lately been experiencing a decline in the birth rate, State four reasons for this decline. (4 marks)

- a)
- b)
- c)
- d)

14. Give four basic characteristics of a business idea. (4mks)

- a)
- b)
- c)
- d)

15. Outline **four** documents needed to start a company. (4mks)

- a)
- b)
- c)
- d)

16. Identify four barriers to international trade that are imposed by governments. (4mks)

- a)
- b)
- c)
- d)

17. In the table below classify the accounts as personal, nominal, real or private. (4mks)

<i>Account</i>	<i>Account type</i>
Machinery
Kamau(creditor)
Electricity bill
Rent income

18. Outline four reasons why shopping malls have become popular in Kenya. (4 marks)

- a)
- b)
- c)
- d)

19. On 1st July 2012, Meru traders had the following balances:

	shs.
Computer	45,000
Capital	136,000
Creditors	20,000
Furniture	80,000
Bank	26,000
Cash	5,000

The following transactions took place on 2nd July 2012:

- purchased a motor van for sh.400,000 on credit from Shah motors
- paid a creditor sh. 13,000 by cheque
- bought furniture for sh.8000 by cheque

Prepare a balance sheet as at 2nd July 2012 after the above transactions had taken place. (4 marks)

20. State four factors that hinder economic development in most African countries. (4marks)

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-
-
-

21. Highlight four reasons that may necessitate insurance companies to re-insurance. (4mks)

-
-
-
-

22. The following table shows the price of 2kg of maize flour 1 loaf of bread, and 1 packet of milk in 2013 and 2014 with their weights.

Items	Prices		Weights
	2013	2014	
Flour	80	85	2
Bread	50	60	1
Milk	40	60	3

Required:

Calculate Consumer Price Index (C.P.I) for the year 2014 for the basket of goods composed of the three items using the Weighted Average Method and determine level of inflation. (4 Marks)

23. State four conditions that must be met for an insurance contract to be valid. (4 marks)

-
-
-
-

24. The following balances were extracted from the books Lion Traders as at 30th June 2012.

Shs.

Sales	14,000
Carriage out	6,000
Discount allowed	11,000
Discount received	5,000
Returns in	12,000
Rent income	3,000
Purchases	2,000
Bank	150,000
Capital	159,000

From the above information, prepare a trial balance. (4 marks)

25. State four characteristics of basic human wants. (4 marks)

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PAPER 2

1. a) Discuss any five economic importance of the recently discovered oil to the Kenya Economy. (10marks)
b) Describe five monetary tools used by the government to control inflation. (10mks)
- 2 a) Explain **four** reasons why Boda Boda transport has become a popular means of transport in Kenya. (8 marks)
b) The following trial balance relates to HM Traders Ltd as at 31st December 2011.

HM Traders Ltd
Trial Balance
As 31st December 2011

Particulars	Dr shs	Cr shs
Capital		283,200
Drawings	8000	
Cash at Bank	30,000	
Machinery	360,000	
Debtors	42 700	
Creditors		20 000
Stock (1.1.2011)	40000	
Sales		570 000
Purchases	325 000	
Returns	10000	15000
Carriage inwards	4000	
Carriage outwards	5000	
Rent	18000	
Salaries and wages	40000	
Discounts Received		9000
General expenses.	14,500	
	<u>897 200</u>	<u>897 200</u>

Stock as at 31/12/2011 was valued at shs. 35,000

Required:

- i) Prepare a trading, profit and loss account for the year ended 31st December, 2011 (8 marks)
 - ii) Draw a balance sheet as at 31st December, 2011. (4 marks)
- 3(a) Explain five guidelines to proper use of county funds. (10 marks)
- (b) The following table represents the supply of potatoes for 3 months.

Year 2010	Price Per Kg	Quantity Supplied (Kgs)
January	100	100,000
February	100	90,000

March	100	80,000
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Explain five reasons to account for the change in quantity supplied of potatoes in the market. (10 marks)

4 a) Mr. Yego, a tea farmer in Kericho, wants to join Kiptigis farmers' co-operative society. Explain five benefits that would accrue to him as a result of being a member of the society. (10marks)

b) On 1st September 2006, Mau Enterprises had the following balance.
 Cash shs. 55,000
 Bank shs. 250,000 (CR)

During the month, the following transaction took place

- September 2nd: Cash Sales Banked shs. 535,260
- 3rd: Bought Ribbons in cash shs.4, 500
- 8th: Paid Wangila ,a creditor shs. 94,000 by cheque in full settlement of his Account after deducting 6% cash discount
- 12th: Received a cheque for shs.58, 800 from Wetu after allowing her cashdiscount of shs.1, 200
- 15th: Paid salaries shs.34, 000 in cash
- 25th: Withdrew shs. 50,000 from bank for office use
- 28th: Anyango a debtor, paid her account of shs.75.000 by cheque less 10% cash discount.
- 30th: Deposits all the cash into Bank except shs. 13,700

Required: Prepare a **three** column cash Book as at 30th September 2006 (10mrks)

- 5) a) Explain **five** measures that Kenya can take to solve the problem of unemployment. (10 marks)
- b) Kenya is looking forward to the realization of vision 2030, explain five obstacles that may hinder its implementation (10marks)
- 6 (a) Draw five differences between perfect competition and monopolistic competition (10mks)
- (b) Explain five negative implications of production activities on the environment (10mks)

**SERIES 7
PAPER 1**

1. Highlight four activities that may assist trade to take place. (4 mks)
2. Outline four circumstances under which downward communication may be effectively used. (4 mks)
3. From the accounts listed below, identify the relevant ledger in which they are recorded. (4 mks)

Account	Ledger
Mueni (Debtor)	
Motor vehicle	
Cash at hand	
Rent	

4. State four reasons why the government issues licenses to businesses. (4 mks)
5. Highlight four measures that the government can take to make road transport in our country to be more efficient. (4 mks)
6. The following balances relate to Juma enterprises for the year ended 31.12.23
 - a. Details Kes
 - b. Capital (31.12.23) 1,950,000
 - c. Net loss 250,000
 - d. Additional investment(monthly) 40,000
 - e. Quarterly drawings 10,000
 Determine capital (01.01.23) (4 mks)
7. Outline four negative implications of overpopulation in an economy. (4 mks)
8. Outline four sources of public revenue in Kenya. (4 mks)
9. State four reasons why bonded warehouses are located at points of entry to a country. (4 mks)
10. The following are description of various insurance policies. Identify the name of the policy described by the statement. (4 mks)

Description	Policy
a) Covers an organization against losses which might arise as a result of debtors' failure to pay their debts	
b) Covers for the loss of profit due to interruption of business activities as a result of fire	
c) Covers employees who may suffer injuries while on official duties	
d) Covers partial or total physical disability caused to a person due to injury	

11. Kenya has lately been experiencing an upward trend in the prices of basic commodities. State four measures the government may put in place to reverse the trend. (4 mks)

12. Outline four factors that have led to dominance of subsistence production despite development in technology in Kenya. (4 mks)

13. Classify the following forms of business units as either unincorporated or incorporated. (4mks)

Form of Business Unit	Classification
Partnership	
Parastatals	
Sole proprietorship	
Cooperative society	

14. State four factors that may limit an individual ability to satisfy his basic wants. (4 mks)

15. Highlight four ways in which the government may influence the price of a commodity. (4 mks)

16. Classify the following types of wholesalers as according to either mode of operation or nature of goods dealt in bases. (4 mks)

Type of Wholesaler	Classification
Rack Jobber	
General merchandise	
Cash and carry	
Specialized wholesaler	

17. Outline four reasons for the continued existence of small firms in the Kenyan economy despite dominance by large firms selling similar goods. (4 mks)

18. List four after sale services that a seller may offer to attract more buyers for his products. (4 mks)

19. State four reasons why government of Kenya is promoting entrepreneurial studies in schools. (4 mks)

20. Outline four demerits of an open plan office. (4 mks)

21. From the following information provided by Meli Traders, prepare trading account for the period ended

31.01.23.

Stock (01.01.23) 50,000

Stock (31.01.23) 100,000

Margin 20%

Rate of stock turnover 10 times

22. The middlemen incur various costs in the chain of distribution increasing the overall cost of the products. Identify four such costs. (4 mks)

23. Fill the blank spaces in the table below. (4 mks)

Transaction	Source Document	Book of original entry
Correction of an undercharge		
Payment of creditor by cheque		
Sales returns		
Sale of office furniture on credit		

24. Outline four bases upon which a monopolist may separate his market. (4 mks)

25. Mama Mwikali purchased 1,000 packets of long-life milk worth kshs 50,000. If she was allowed a 5% trade discount and 10% cash discount, calculate the price she paid per packet of milk. (4 mks)

SERIES 8
PAPER 1

1. Highlight four ways in which business studies may be of benefit to an individual. (4 Mks)

- (a)
- (b)
- (c)
- (d)

2. Outline four features of economic resources. (4 Mks)

- (a)
- (b)
- (c)
- (d)

3. Highlight four characteristics of labour as a factor of production. (4 Mks)

- (a)
- (b)
- (c)
- (d)

4. List four sources of business idea. (4 Mks)

- (a)
- (b)
- (c)
- (d)

5. Highlight four elements of a carbon copying in the reproduction of documents. (4 Mks)

- (a)
- (b)
- (c)
- (d)

6. Outline four differences between hire purchase and installment buying. (4 Mks)

7. Mention four current trends in forms of business units. (4 Mks)

- (a)
- (b)
- (c)
- (d)

8. Outline four duties of commercial attaches. (4 Mks)

- (a)
- (b)
- (c)
- (d)

9. Highlight four advantages of human portorage. (4 Mks)

- (a)
- (b)
- (c)
- (d)

10. Outline four ways that the government can use to influence the quantity of a commodity supplied. (4 Mks)

- (a)
- (b)
- (c)
- (d)

11. List four factors that determine the size of a firm. (4 Mks)

- (a)

12. Outline four factors that a producer would consider when selecting a distribution channel. (4 Mks)

- (a)
- (b)
- (c)
- (d)

13. Outline four challenges that may be encountered when measuring national income using income approach. (4 Mks)

- (a)
- (b)
- (c)
- (d)

14. The following information was obtained from the records of Biashara traders as at 31st December 2014.

	Sh.
Long term loan	20,000
Debtors	6,000
Cash at bank	24,000
Creditors	14, 000
Furniture	40,000
Stock	10,000

Prepare Biashara Traders balance sheet as at 31st December 2014.

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15. Highlight four advantages of trade restriction. (4 Mks)

- (a)
- (b)
- (c)

16. The following information was extracted from the books of Sunrise Enterprise on 30th June 2012

Item	Shs
Purchases	200,000
Opening stock	44,000
Closing stock	52,000
Mark - up	20%

Prepare the Trading account of Sunrise Enterprise for the year ended 30th June 2012. (4 Mks)

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17. Outline four circumstances under which sign language would be appropriate. (4 Mks)

- (a)
- (b)
- (c)
- (d)

18. Highlight four possible consequences that may arise due to poor arrangement of goods in a warehouse. (4 Mks)

- (a)
- (b)
- (c)
- (d)

19. Outline four factors that may hinder economic developments. (4 Mks)

- (a)
- (b)
- (c)
- (d)

20. Highlight four reasons that may necessitate insurance companies to re-insurance. (4 Mks)

21. Outline four advantages of window display as a method of product promotion. (4 Mks)

- (a)
- (b)
- (c)
- (d)

22. Outline four negative effects of an ageing population in an economy. (4 Mks)

- (a)
- (b)
- (c)
- (d)

23. On 1 April 2014, Kama Traders had Sh 200,000 in cash and Sh 70,000 bank overdraft.

During the month the following transactions took place.

- April 10 A debtor settled his account of sh 500,000 by cheque less 5% cash discount.
- April 15: Settled Jane’s account of sh 90,000 by cheque less 3% cash discount.
- April 30: Banked all cash except sh 40,000.

Enter the above information in the cash book given. (4 Mks)

Cash book

Dr					Cr				
Date	Details	Discount Allowed	Cash	Bank	Date	Details	Discount Received	Cash	Bank

24. Highlight four advantages of a fixed deposit account. (4 Mks)

25. State four sources of monopoly power. (4 Mks)

1. a) Explain **five** circumstances that may lead to the existence of a business opportunity to be exploited by the entrepreneur (10marks)
- b) Explain **five** reasons why an effective filing system is important in a business (10marks)
2. a) Explain **five** differences between chain stores and departmental stores (10marks)
- b) Explain **five** elements of effective communication (10marks)
3. a) The following information was extracted from the books of Queenter Traders as at 31st Dec 2023

	Kshs
Sales	x
Purchases	500,000
Return inwards	90,000
Return outwards	26,000
Creditors	150,000
Rent	60,000
Delivery van	160,000
Carriage outwards	3,000
Debtors	120,000
Carriage inwards	40,000
Bank	60,000
Stock (1 ST Jan 2023)	100,000
Interest expenses	10,000
Bad debts	7,000
Stock (31 st Dec 2023)	188,000
Bank overdraft	4,000
Discount received	4,000
Capital	170,000

Additional information:

Gross profit margin is stated at 40%

Required :

- i) Prepare a trading, profit and loss account for the year ended 31st Dec,2023 (10marks)
- ii) Compute the rate of stock turnover (2marks)
- b) Explain **four** methods of determining the price of a product other than government interaction measures (8marks)
4. a) Explain **five** benefits a wholesaler may get if he operates his own warehouse (10marks)
- b) Outline **five** demerits of direct taxes (10marks)
5. a) Discuss **five** causes of unfavourable balance of payment for developing countries (10marks)
- b) Describe **five** channels of distribution that a Kenyan manufacture would use to ensure her goods reach consumers in another country (10marks)
6. a) Explain **four** factors that may hinder the development of a country (8marks)
- b) The following balances relate to Karonji stores as at 31st November 2023

Land and buildings	1,200,000
Motor vehicle	600,000
Stock	120,000
Trade debtors	50,000

During the week ending 7th Dec 2023 the following transactions took place December 2nd bought stock on credit 80,000

3rd – sold stock on credit 62,000

6th – received 100,000 cash from debtors

Required: Open the relevant ledger entries, balance them and extract a trial balance as at 7th December 2023 (12marks)

SERIES 9 PAPER 1

1). Outline four features of Basic wants (4mks)

- a)
- b)
- c)
- d)

2). Name the type of warehouse associated with each of the statement given below (4mks)

Statement	Type of warehouse
a). Good can be stored before payment of custom duties	
b). Individual can hire storage facilities	
c). goods are stored from several manufacturers	
d). Specialized goods are stored	

3). Highlight four characteristics of monopolistic competitive market (4mks)

- a).
- b).
- c).
- d).

4). The following balances were extracted from The books of Gaitu Traders for the month ended on 31st march 2005,

	Sh.
Sales	420,000
Purchases	240,000
Motor van	300,000
Equipment	120,000
Debtors	80,000
Creditors	40,000
Expenses	160,000
Capital	440,000

Prepare trial balance for Gaitu Traders as at 31st march 2005. (4mks)

5). Outline four benefits that Kenyan government from may get as a member of common market for Easter and Southern Africa (COMESA) (4mks).

- a).

- b).
 - c).
 - d).
- 6). Highlight Four circumstances under which a seller may offer after sales service to the buyer (4mks)
- a).
 - b).
 - c).
 - d).
- 7). Highlight four indicators of economic growth that may be observed as a country progresses(4mks)
- a).
 - b).
 - c).
 - d).
- 8). Outline four ways in which internal environment may contribute to success of a business (4mks)
- a).
 - b).
 - c).
 - d).
- 9). Highlight four principles of a co-operative society (4mks)
- a).
 - b).
 - c).
 - d).
- 10). Mobile phones have become a common means of communication in Kenya today. State four challenges that a trader may encounter when using mobile phones (4mks)
- a).
 - b).
 - c).
 - d).
- 11). State four ways in which a youthful population may be useful to Kenyan economy (4mks)
- a).
 - b).
 - c).
 - d).

12). State four characteristic of money (4mks)

- a).
- b).
- c).
- d).

13). Outline four principles of public expenditure. (4mks)

- a).
- b).
- c).
- d).

14). On 2nd November 2006 Kinoti received an invoice of Ksh. 12,000. Terms of payment were trade discount 5% and cash discount of 10% if payment is made within 30 days. Determine the amount paid if payment was made on 28th November 2006. (4mks)

15). Outline four characteristic of property insurance (4mks)

- a).
- b).
- c).
- d).

16). Highlight four factors that may cause supply curve to shift to the right (4mks)

- a).
- b).
- c)
- d).

Occupation	Level of production
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17). List four features of a good filing system (4mks)

- a).
- b).
- c)
- d).

18).The following information relates to Khadija wholesalers. Capital at the end of the year 2016 was sh. 190, 000, profit sh, 20,000, additional investment sh, 75,000 and drawings were sh.5000. Calculate Khadija wholesalers' initial capital.

19). Kenya has recently discovered crude oil in turkana. Outline four advantages of transporting the oil through pipeline (4mks)

- a).
- b).
- c)
- d).

20. The table shows some occupation in production .Indicate the level of production associated with each of the following occupations. (4mks)

a) mining	
b) oil refining	
c) insurance	
d) Teaching	

21). Highlight four benefits that would accrue to a firm located near other existing firms. (4mks).

- a).
- b).
- c).
- d).

22). State four roles of intermediaries in the chain of distribution. (4mks)

- a).
- b).
- c).
- d).

23). Outline four benefits of a business plan to an entrepreneur (4mks)

- a).
- b).
- c).
- d).

24). The following balances were extracted from the books of Kinja traders as at 31st December 2005.

	Sh.
Current liabilities	150,000
Net profit	50,000
Total Assets	500,000
2years Bank loan	100,000

Calculate the rate of return on capital (5mks)

25). Outline three monetary policy tools used by the central bank to control inflation. (3mks)

- a).
- b).
- c).

PAPER 2

1. a). Explain five factors that may promote entrepreneurship in Kenya (10mks).
b). Explain five causes of balance of payments disequilibrium (10mks)

2. a). Explain five features that would be considered when establishing a warehouse for imported goods (10mks)
b). On 1st September 2015, Kakamega Traders had shs55, 000 in hand and shs 250,000 in Bank. During the month, the following transactions took place. (10mks)

Sept: 2: cash sales were banked shs. 35,260.
3: Bought ribbons in cash shs. 4,500.
8: Paid Wangila creditor shs. 94, 000 by cheque,
In full settlement of his account after deducting 6% cash discount.
12: received a cheque for shs. 59,800 from macharia after allowing him cash discount of shs. 1,200
15: Paid salaries of shs 34,000 in cash.
25: withdrew shs. 50,000 from bank for office use.
28: Wanjiku a debtor paid her account of shs. 75,000 by cheque less 10% cash discount
30: Deposited all the cash into the bank except shs. 13,700.

Required: Prepare Kakamega Traders 3 –column cash book and balance it off (10mks)

3. a). Explain five benefits that a private limited company may enjoy by changing to a public limited company (10mks)
b). Explain the functions of the following documents as used in home trade (10mks)
 - i). Invoice
 - ii). Debit note
 - iii). Credit note
 - iv). Receipt
 - v). Statement of account

4. a). Explain any five sources of monopoly power in a monopoly (10mks)
- b). Explain five benefits that Kenya enjoys by being a member of the African development Bank (10mks)

5. a). Outline any five principles of insurance (10mks)
- b). The following trial balance relates to XYZ ltd.

XYZ limited
Trial Balance
As at 31st Dec. 2013.

Details	Dr Kshs	CR Kshs
Capital		800,000
Opening stock	200,000	
Purchases	680,000	
Returns	50,000	80,000
Discount	80,000	45,000
Carriageinwards	42,000	
Debtors and creditors	200,000	105,000
Sales		1,200,000
Motor vehicles	750,000	
Furniture and fittings	250,000	
Rent	50,000	60,000
Bank overdraft		42,000
Carriage outwards	30,000	
Additional information: Closing stock was valued at shs. 80,000		

Required:

Prepare XYZ limited Trading, profit and loss account (10mks).

6. a). Unemployment has been major problem that the Kenyan government has been trying to solve. Explain any five measures that the Kenyan government has taken to solve this problem (10mks).
- b) Explain any five sources of public finance (10mks)

SERIES 10
PAPER 1

1. Identify four roles that equipment play in an office. (4 marks)
2. Highlight four internal weaknesses that may affect business performance (4 marks)
3. Identify four common means of verbal communication (4 marks)
4. State the type of co-operative society that fits the description given below (4 marks)

DESCRIPTION	TYPE OF CO-OPERATIVE
a. A co-operative formed to improve production and selling of goods by members	
b. An association of buyers formed to be buying goods in bulk and selling at fair prices	
c. An association of persons who save regularly and obtain loans at low interest	
d. Formed by members who save into a common pool and funds using to construct houses for members	

5. Outline four principles that guide a government in collecting and spending public finance (4 marks)
6. Highlight four disadvantages of monopoly markets (4 marks)
7. Identify four factors that may cause demand- pull inflation too occur in a country (4 marks)
8. State four problems facing small scale business in Kenya (4 marks)
9. Identify four differences between trade discount and cash discount in the table below (4 marks)
10. Identify how each of the transactions changes the amount of stock in the stock

Transaction	Effects on stock
a. purchase of goods from suppliers	a.
b. sale of goods to customers	b.
c. sales return by customers	c.
d. purchase returns by suppliers	d.

11. Name four functions of the central bank of Kenya in the economy

12. Identify four benefits of indirect production to a community (4 marks)

13. Fill the missing figures in the table below

	Fixed asset	Current Assets	Capital	Liabilities
a.	275 500		315 000	115 500
b.	182 000	108 700		217 100
c.		76 400	123 100	91 900
d.	313 450	211 340	189 170	

14. Name four measures that a firm can take to improve efficiency of its workers (4 marks)

15. Outline four ways in which consumers can benefit from services of a warehouse (4 marks)

16. The following information relates to Ali General Stores for the year ended 31st Dec 2018.

Opening stock	shs 24 000
Carriage on sales	shs 12 000
Purchases	shs 370 000
Sales	shs 442 500
Closing stock	shs 40 000

Expenses 10% on gross profit

Prepare Trading profit and loss account for the year ended 31st Dec 2018 (5 marks)

17. State three pieces of information contained in an insurance policy for goods (3 marks)

18. Name four types of warehouses. (4 marks)

- 19.** Outline four ways in which households contribute to national income in a country (4 marks)

- 20.** Identify four measures taken by government to reduce mortality rate in a country. (4 marks)

- 21.** State four uses of a computer in an organization. (4 marks)

- 22.** Identify four elements of effective communications. (4 marks)

- 23.** Highlight four circumstances under which the capital of a business may change. (4 marks)

- 24.** Name four accounting documents that are used in home trade

- 25.** Identify four contents of a memorandum of association. (4 marks)

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 1st 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 st	Bought goods in cash	Shs. 20,000
"	2 nd	Paid salaries by cash	Shs. 65,000
"	4 th	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 th	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 th	Bought office machinery by cheque	Shs. 50,000
"	13 th	Juma settled his account of Shs. 20,000 in cash having deducted 2% cash discount	
"	15 th	Withdraw Shs. 10,000 for private use	
"	18 th	Paid John Shs. 4,750 in cash having deducted 5% cash discount	
"	22 nd	Cash sales	Shs. 45,000
"	25 th	Received cash Shs. 29,100 from Aberi after having allowed him 30% cash discount	
"	31 st	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)

SERIES 11

PAPER 1

1. Identify the term used in the descriptions below: (4 marks)
 - a) Study of the process of acquiring the necessary resources to start and operate a business
 - b) Study of how human beings strive to satisfy their endless wants using the scarce resources
 - c) Study of trade and aids to trade
 - d) Study of the systematic way of recording business activities and using the records for decision making
2. State any **four** roles played by firms in the economy. (4 marks)
3. Outline **four** circumstances under which credit sales may be used by the seller. (4 marks)
4. For each of the following items, indicate in the spaces provided whether it is a **Dr** or **Cr** entry to increase or decrease the item. (4 marks)

	ITEM	TO INCREASE	TO DECREASE
a)	Expenses		
b)	Purchases returns		
c)	Drawings		
d)	Liabilities		

5. Highlight **four** ways by which the economic environment can negatively affect a business. (4 marks)
6. Give **four** reasons why you would advise a Form 4 leaver to start a business. (4 marks)
7. State **four** consequences of not doing proper filing in an organization. (4 marks)
8. Outline **four** demerits of government involvement in business. (4 marks)
9. Identify the type of book of original entry in which the following transactions are recorded. (4 marks)

	TRANSACTION	BOOK OF ORIGINAL ENTRY
a)	Sold office machinery on credit	
b)	Received a cheque from a debtor	
c)	Goods bought on credit returned back to suppliers	

d)	Sold goods on credit	
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10. Highlight **four** roles of a business plan. (4 marks)
 11. State **four** reasons why business set-ups may choose to merge. (4 marks)
 12. List any **four** monetary tools used by the Central Bank to reduce money supply. (4 marks)
 13. Hekimu Enterprises had the following book balances as at 31st December 2022.

	Sh.
<i>Sales</i>	500,000
<i>Stock (1/1/2022)</i>	20,000
<i>Returns Outwards</i>	10,000
<i>Purchases</i>	300,000
<i>Stock (31/12/2022)</i>	40,000
<i>Returns Inwards</i>	5,000

Required: Prepare Hekimu Enterprises Trading Account for the year ended 31st December 2022. (4 marks)

14. Identify any **four** trends in communication today. (4 marks)
 15. State **four** circumstances under which personal selling is used. (4 marks)
 16. In a well labelled diagram, illustrate the vicious cycle of rapid population growth. (4 marks)
 17. Outline any **four** methods that can be used by the government to reduce the quantity supplied of a commodity. (4 marks)
 18. Mention **four** benefits of a bonded warehouse. (4 marks)
 19. Outline any **four** features of an oligopoly market set up. (4 marks)
 20. Give **four** reasons why there has been a reduction in road accidents as per recent reports. (4 marks)
 21. State any **four** disadvantages of division of labour and specialization. (4 marks)
 22. The following balances were extracted from the books of Mamba Wholesalers.

	Sh.
<i>Sales</i>	20,000
<i>Cost of sales</i>	15,000
<i>Average Stock</i>	6,000
<i>Expenses</i>	10% of sales

Calculate.

- a) Gross profit markup (1 mark)
 b) Gross profit margin (1 mark)
 c) Rate of stock turnover (1 mark)

d) Net Profit (1 mark)

23. It has been very difficult to satisfy all the human wants. State **four** measures that can be undertaken to address this challenge. (4 marks)

24. State any **four** reasons for re-insurance. (4 marks)

25. In the table below, indicate the effect of the following transactions on assets, liabilities and capital whether they will increase (+), decrease (-) or have no effect (0). (4 marks)

	TRANSACTIONS	EFFECTS ON		
		ASSETS	LIABILITIES	CAPITAL
a)	Sold goods on credit			
b)	Bought goods on credit			
c)	Sold goods in cash making a gain			
d)	Withdrew some stock for domestic use			

PAPER 2

1. a) Highlight **FIVE** malpractices by traders against which consumers may need protection by the government (10 marks)
 - b) Explain **FIVE** circumstances under which existing office machines would be replaced by modern ones. (10 marks)
2. a) With the aid of a well labeled diagram, illustrate the effects of a rightward shift in supply curve on equilibrium price and quantity. (10 marks)
 - b) Explain **FIVE** features of chain stores. (10 marks)
3. a) Explain any **FOUR** determinants of the size of a firm. (8 marks)
 - b) The following Trial balance given below was extracted from the books of Wafula Traders on 31st December 2017

	DR	CR
	Sh.	Sh.
Opening Stock	30,000	
Purchases/Sales	275,000	390,000
Debtors	47,000	
Commission received		36,000
Returns	10,000	6,000
Carriage Inwards	16,000	
Bad debts	3,000	
Wages	20,000	
Rates	12,000	
Buildings	450,000	
Furniture	180,000	
Bank Overdraft		210,000
Insurance	19,000	
Discounts	5,000	7,000
Drawings	25,000	
Creditors		52,000
Cash at Bank	250,000	
Cash at Hand	40,000	
Capital		689,000
TOTAL	<u>1,390,000</u>	<u>1,390,000</u>
Additional information: Closing Stock was sh. 50,000		
: Carriage outwards Ksh. 8,000		

REQUIRED:

- i. Prepare Wafula Traders' Trading, profit and loss account for the period ended 31/12/2017 (7 marks)
 - ii. Prepare Wafula Traders Balance Sheet as at 31/12/2017 (5 marks)
4. a) Explain any **FIVE** types of unemployment. (10 marks)
 b) Explain any **FIVE** services offered by commercial banks (10 marks)
 5. a) Explain **FIVE** differences between cooperative societies and partnerships. (10 marks)
 b) As a manager of an IT firm, explain **FIVE** reasons why you would encourage the use of online sales in your organization. (10 marks)
 6. a) Outline any **FOUR** channels that can be used in importing machinery into Kenya. (8 marks)
 b) On 1stOctober 2013, Otonglo Traders had Sh. 10,000 cash and Sh. 40,000 at the bank.

During the month the following transactions took place.

Oct 2 : Bought goods worth Sh. 3,100 by cheque

Oct 3 : Paid motor expenses Sh. 6,000 in cash.

Oct 6 : Sold goods worth Sh. 8,200 cash.

Oct 10 : Paid a creditor Sh. 9,500 by cheque after deducting a 5% cash discount

Oct 12 : Received a commission of Sh. 580 directly into the bank account

Oct 14 : Shelby, a debtor, settled her account of Sh. 30,000 by cheque less a 2.5% cash discount

Oct15 : The bank deducted Sh. 850 from the business account for services rendered

Oct19 : The owner took Sh. 1,500 by cheque for personal use

Oct23 : Paid Kiboko Traders Sh. 38,800 by cheque in full settlement of their account less 3% cash discount

Oct 24 : Withdrew Sh. 15,000 from bank for business use

Oct 26 : Received Sh. 8,200 cash from a debtor in full settlement of a debt of Sh. 8,500

Oct 30 : Took all the cash to the bank leaving only Sh. 1,800 in the cash till

REQUIRED: Prepare a duly balanced three-column cash book. (12 marks)

SERIES 12**PAPER 1**

1. Give four features of basic human wants. (4mks)
2. Outline four reasons why the government trains business people (4 mks)
3. Highlight four factors to consider when selecting a channel of distribution. (4 mks)
4. Outline **four** commercial services that are useful to a manufacturer (4 Marks)
5. Indicate whether the following items are falling in real, nominal or private accounts. (3mks)

Account

- (a) Sales
- (b) Carriage inwards
- (c) Fixture and fittings
- (d) Stock
- (e) Cash
- (f) Capital

6. Outline four characteristics of multiple shops (4mks)
7. Give **four** causes of unemployment in Kenya today (4 Marks)
8. State the journal that deals with each of the following types of transaction (4 Marks)

	Types of transaction	Journal
(a)	Sale of fixed asset on credit	
(b)	Correction of errors	
(c)	Credit purchases	
(d)	Return of goods by customers	

9. Write whether the following transactions will have an increase, decrease or no effect on the balance sheet totals. (4mks)

Transaction**Effect**

- a. Withdrew stock for personal use
- b. Paid a creditor by cheque
- c. A debtor paid by cash
- d. Received a loan by cheque

10. The following figures relate to Jamii Traders. Shs.

Details	
Capital 30.4.2022	940,000
Net loss	20,000

Additional investments	420,000
Drawings per month	6,000

Determine capital as at 1.5.2021. (4 mks)

11. Highlight four roles played by personal secretary (4mks)

12. The table below shows the supply of milk over a period of three years.

Year	2019	2020	2021
Quantity supplied (Litres)''000''	50	30	25

Outline four reasons for the above trend. (4 mks)

13. Given the following information of Elisha Traders (4mks)

Land and Building.	490,000
Machinery	300,000
5 year loan	110,000
2 year loan	80,000
Creditors	90,000
Debtors	100,500
Stock	75,600
Cash	40,000
Bank overdraft	69,900

Calculate,

- a) Working capital (2 mk)
- b) Current ratio (1mk)
- c) Capital owned (1mk)
- d) Borrowed capital (1mk)

14. Outline four trends in forms of business units. (4mks)

15. State four reasons that can lead to the termination of an insurance policy. (4mks)

16. State four essential elements in communication. (4 mks)

17. Given below are transactions to Buda traders for each of the transactions, indicate in the column below the account to be debited and the account to be credited (4 Marks)

	Transaction	DR	CR
(i)	Paid salaries in cash		

(ii)	Withdraw cash from bank for office use		
(iii)	Paid telephone bill by cheque		
(iv)	Purchased office equipment on credit from Eldoret Holdings		

18. State four causes of business failure (4mks)
19. State four assumptions of circular flow of income in a two sector economy (4mks)
20. Highlight four roles of advertising agencies in product promotion. (4mks)
21. Outline four benefits of commercial production (4mks)
22. Give **four** reasons why firms choose to remain small in an economy dominated by large firms (4 Marks)
23. Highlight four features of perfect competitive market. (4mks)
24. Name four documents that originate from the seller in the home trade. (4mks)
25. State **four** errors that do not affect the agreement of a trial balance (4 Marks)

PAPER 2

- 1 a) James runs a manufacturing firm and has employed seventy workers. Explain five reasons why it would be beneficial to assign each worker a specific job in production (10 marks)
b) Discuss five factors that will lead to an increase in a country's national income. (10 marks).
- 2 a) Explain five factors that a business organization would consider when choosing office equipment. (10 Marks)
b) Discuss five reasons why a government would opt to sell its public corporation (10 marks)

3 a) The following balances relate to kanji stores as at 31st march 2023

Land and buildings	1000000
Motor vehicle	800000
Stock	100000
Trade debtors	70000

During the week ending 7th April 2023. The following transactions took place –

April 2nd –Bought stock on credit 80000

3rd – Sold stock on credit 42000

6th-Received sh 100000 cash from debtors

Required: open the relevant ledger entries, balance them and extract a trial balance as at 7th April 2023 (12 marks)

- b) Outline four importance's of insurance in the Kenyan economy (8 marks)
- 4 a) The following transactions were extracted from the books of daraja traders;

2023 June 1-balance brought forward cash ksh 1900, bank ksh 6500

3-sold goods in cash ksh 1200

5- Paid transport by cheque ksh 2050

7 –bought goods worth ksh 2500 in cash less 5% cash discount

10-paid postage charges by cheque ksh 3000

12-daraja deposited ksh 600 from cash till to the business bank account

13-bought goods ksh 8400 by cheque

- 15- Sold some old furniture for sh 3900 and received the money in cash
- 17 –brought a table to be used in the business whose value was ksh 1800
- 18- Paid electricity bill by cheque ksh 2100
- 20- Sold some goods against a cheque for ksh 6600 whose value was ksh 6850
- 21- Took cash ksh 400 for family use
- 26- Sold goods on credit to kimani valued at ksh 4500
- 28- Received cash ksh 1500 from bidii stores
- 30- Deposited all cash with the bank except ksh 3525.

Required: prepare a three colmn cash book duly balanced (10 marks)

- b) Outline any five factors to consider while locating a warehouse (10 marks)
- 5 a) Discuss five challenges that a young population poses to a country (10 marks)
- b) Explain five circumstances under which oligopoly market structure may be created (10 marks)
- 6 a) Explain five factors that should be considered by a firm when deciding on the method to use for promoting his products (10 marks)
- b) With the aid of a suitable diagram. Explain the effects of a decrease in supply on the equilibrium price and quantity. (10 marks)

SERIES 13

PAPER 1

1. State four ways in which learning business studies will benefit a form four school leaver. 4 marks
2. State four distinctive features of a monopoly. 4 marks
3. Jane is an account holder with Kenya Commercial Bank. State four services she will receive from her bank. 4 marks
4. State four differences between shares and debentures. 4 marks

Shares	debentures

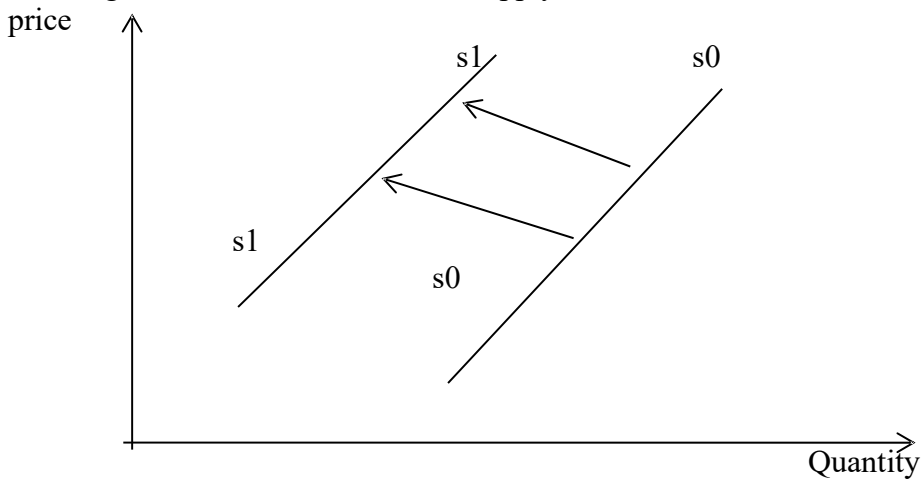
5. The following transactions were extracted from the books of Bidii Stores during the month of April 2011. 5 marks
April 1st started business by depositing in the bank shs 100,000.
April 2nd bingwa a debtor paid shs 40,000 in cash.
April 4th withdrew shs 20,000 cash from the bank for business use.
April 20th took sh 10,000 from cash till for personal use.
6. State four ways in which a politically stable environment will lead to success of a business. 4 marks
7. Kasyoki, a business lady in Nairobi intends to take a comprehensive insurance policy for her business vehicle. Outline the steps she would follow. 4 marks
8. State four qualities that an entrepreneur should possess in order to succeed. 4 marks
9. State three ways in which consumers may benefit from producers competing in product promotion. 3 marks
10. Outline four benefits of division of labour to an organization. 4 marks
11. Bora traders had the following information for the year ended 31st June 2008.
Capital (1st July 2007) 3,500000
Additional investments 540000
Monthly drawings 2100
Capital (31st June 2008) 6,000,000
Calculate the Net profit for the year. 4 marks
12. State four circumstances under which an organization may computerized all their operations. 4 marks
13. State four positive implications of a rapidly growing population. 4 marks
14. State four reasons why the Government Issue licenses to businesses. 4 marks
15. Outline four factors that Mama mboga will consider before giving credit to her customers. 4 marks
16. State four benefits of preparing subsidiary books to a business. 4 marks
17. The following relates to Katiba traders as at 31st April 2010.
Motorvan 280,000
Furniture 180,000
Stock 100,000
Debtors 90,000

Creditors 50,000

Prepare Katiba traders's balance sheet.

4 marks

18. The diagram below shows a shift in supply curve.



Highlight four causes of such a shift illustrated above.

4 marks

19. Name the characteristic of human wants described in the following statements. 4 marks

- Require to be satisfied over and over again _____
- Satisfying one want leads to the need to satisfy another _____
- Every human being experiences urge to satisfy wants _____
- Some wants result in formation of habits _____

20. Outline four factors that may influence the place a firm is to be located. 4 marks

21. Ndeti, a form four leaver intends to open an email account. Outline four benefits she is likely to enjoy through her email account. 4 marks

22. Outline four channels that a Kenyan farmer may use to distribute his produce to consumers spread all over the republic. 4 marks

23. The following information was extracted from the books of Eagle traders during the month of march 2012.

March 1st bal b/d cash 24,000 bank 8000 (cr)

3rd paid electricity shs 4000 in cash

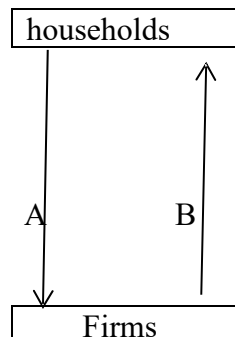
10th proprietor took cash shs 10,000 to pay sons dowry

Enter the following transactions in double column cash book

4 marks

24. State four reasons that account for the popularity of motorbikes as a mode of transport.

25. The following diagram represents the circular flow of national income in a two sector economy.



Name what is represented by arrows A and B.

4 Marks

PAPER 2

1. (a) Explain five benefits of specialization in an organization (10 marks)
b) Explain **five** factors that influence the level of national income of a country (10 marks)
2. a) Explain **five** features that differentiate Public Limited Company from partnership form of business (10 marks)
b) The rate of unemployment in Kenya is on the top notch. Explain **five** types of unemployment in Kenya (10 marks)
3. a) Explain **five** advantages of government involvement in business (10marks)
b) Explain **five** benefits that may be realized by a country as a result of government policy to relocate industries to rural areas (10marks)
4. a) Explain **five** functions of public finance to the government of Kenya (10marks)
b) The following information was extracted from Moyale traders in the month of May 2023.
May 1: Balance b/d cash sh.50 000,bank sh.180 000
May 1: Cash sales sh.3 000
May 2: Paid the following creditors by cheques N.Mwangi sh.1 500, A Mwaniki sh,16 000,N.Mugo sh.1 200 after deducting 10% cash discount in each case
May 3: Received cheques from the following debtors after deducting 5% discount in each case E Githinji sh.24 000,D.Nyamu sh.9 000,E mutual sh.1 400.
May 5: Paid repairs in cash sh.16 000
May 10: PAID Juma in cash sh.9 500
May 15: Banked sh.6 000 from cash till
May 16: Received cash from Karuiki sh.13 500 in full settlement of his account sh.15 000
May 17: Cash Sales directly banked sh.26 400
May 20 : Cash purchases sh.8 920
Required: Prepare a three column cash book (10marks)
5. a) Explain five challenges of using *matatus* in Kenya (10 marks)
b) Explain five functions of commercial banks in Kenya (10 marks)

6. a) Trinity Traders own a metal fabrications business the following balances were extracted from ledgers of business top of the year ended 31st Dec,2023

<i>Items</i>	<i>Shs.</i>
Carriage inwards	27 900
Carriage outwards	29 400
Purchases	60 000
Sales	120 000
Stock (31 st Dec 2023)	26 500
Sales returns	18 000
Stock (Jan 2023)	35 600
Purchases returns	4 000
Rent	10 000
Discount allowed	68 000
Salaries	14 400
Rates	15 400
Discount Received	36 900
Telephone	6 900
Electricity	25 000

Required: Prepare trading Profit and loss account

(10 marks)

- b) Explain **five** reasons why effective filing system is important in an office (10marks)

1. Define the following types of goods as used in business studies.

i) Free goods:

ii) Public goods:

iii) Non-material goods:

iv) Producer goods:

2. Outline four circumstances under which the government may find it appropriate to participate in commercial activities. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

3. State four ways in which a firm may benefit from internal economies of scale. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

4. Highlight four ways in which the government may reduce the amount of money in circulation. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

5. Outline four characteristics of property insurance. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

6. State four factors that may encourage entrepreneurial development in a country. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

7. Outline four circumstances under which a manufacturer may find it necessary to sell goods directly to consumers. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

8. Name four books of original entry that can be used to record changes in stock of a business. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

9. State four legal-political environment that may affect the performance of a business. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

10. State four factors that may hinder development in less developed countries. (4mks)

i) _____

ii) _____

iii) _____

iv) _____

11. Outline four major causes of unemployment in Kenya.

(4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

12. The following balances were extracted from Nyakwaka Trader's book as at 31st December 2022.

	Ksh.
Discount allowed	5,000
Building	250,000
Return outwards	6,000
Purchases	74,000
Creditors	20,000
Drawings	16,000
Capital	319,000

Prepare Nyakwaka's trial balance.

13. Outline four factors that are considered when buying office equipment. (4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

14. In each of the following cases, indicate in the spaces provided the effect on equilibrium price (4mks)

CASES	EFFECT
i) Demand increases and supply remains constant	_____
ii) Supply increases and demand remains constant	_____
iii) Demand decreases and supply remains constant	_____
iv) Supply decreases and demand remains constant	_____

15. List four types of small scale retail business with shops that a school leaver can start. (4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

16. Highlight four measures that can be taken by the government to increase the volume of export. (4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

17. The following information relates to Josh Traders for the year ended 30th June 2023.

Drawings	sh. 30,000
Cost of sale	sh.170,000
Expenses	sh.9,000
Capital (1.7.2022)	sh.245,000
Mark-up	30%

Required:

- i) Compute capital on 30.06.2023. (3mks)
- ii) Rate of return on capital. (1mk)

18. Outline four benefits a maize farmer may enjoy by being a member of a producer co-operative society.

(4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

19. State four features of perfect competition market.

(4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

20. State the term that would best fit the following descriptions:

DESCRIPTION	TERM
i) Motor vehicle bought for resale _____	
ii) Cash brought into the business by the owner _____	
iii) What the business owes to outsiders _____	
iv) Goods taken from the business by the owner for non-business use. _____	

21. Highlight four negative effects of inflation on the economy of a country.

(4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

22. Outline four ways in which warehousing facilitates trade. (4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

23. State four challenges experienced when measuring national income using output approach. (4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

24. A new producer is contemplating advertising his product either through the newspaper or radio. Give him four reasons why he should use a radio instead of newspaper. (4mks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

25. State four none tax sources of government revenue

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

PAPER 2

1. a) Explain five disadvantages of sole proprietorship as a form of business. (10mks)
b) Explain five benefits of trade in an economy. (10mks)
2. a) Outline five benefits of bonded warehouses to the government (10mks)
b) On 1st March 2007, Lapore Ltd had cash in hand sh. 87000 and cash at bank sh, 25000.

During this month, the following transactions took place:

Mar 2: cash sales ksh 60,000

Mar 3: paid salaries ksh 101,500 by cheque

Mar 7: received a cheque of sh. 76000 from Henry after allowing a cash discount 5%.

Mar 13: bought office furniture by cheque by cheque sh. 86000.

Mar 17: settled Marita account of sh. 34200 in cash having deducted sh. 8000 cash discount.

Mar 20: received a cheque of sh. 165000 in respect to cash sales.

Mar 22: paid wages sh. 25000 in cash.

Mar 24: withdrew sh. 32000 from bank for office use.

Mar 25: withdrew sh. 4000 cash for personal use.

Mar 29: received sh.17000 cash from Alvin in settlement of his account less sh. 1000 cash discount.

Mar 31: deposited all the money into the bank except sh. 24600.

Required:

Prepare a three column cash book duly balanced. (10mks)

3. a) Explain five benefits that may accrue to a single firm as result of its expansion. (10mks)
b) Explain five characteristics of land as a factor of production. (10mks)
4. a) Explain any five qualities of a successful entrepreneur. (10mks)
b) Describe five methods of determining the price of a product in a market situation. (10mks)

5. a) Explain five uses of National Income Statistics of a country. (10mks)

b) Mega Traders had the following transactions that took place in the month of April 2014

Invoices received:

April 1 K.K Suppliers	40,000
April 2 Onchoke	8,000
April 6 K.K Suppliers	15,000

Invoices issued:

April 3 Onyango	50,000
April 4 Moturi	30,000

Credit notes issued:

April 5 Moturi	3,000
----------------	-------

Credit note received:

April 7 K.K Suppliers	1,000
April 7 Onchoke	1,500

Required: record the above transactions in the relevant subsidiary books and post them to their relevant ledger accounts. (10mks)

6. a) Explain five disadvantages of using an aircraft as a means of transport. (10mks)

b) Outline four circumstances under which a firm may acquire monopoly power. (10mks)

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SERIES 15
PAPER 1

1. State **four** characteristics of economic resources. (4mks)

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2. Outline **four** elements of effective communication. (4mks)

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3. Outline **four** characteristics of monopolistic market structure. (4mks)

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4. Outline **four** ways in which internal business environment can positively affect business operations. (4mks)

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5. The table below shows changes in quantity demanded of a commodity.

Month	April	May	June	July	August
Quantity demanded	10,000	12,000	15,000	18,000	20,000

Give **four** reasons for the above trend. (4mks)

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6. State **four** circumstances under which personal selling is appropriate. (4mks)

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7. Outline **four** challenges faced by a country with a youthful population. (4mks)

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8. On 1st Jan 2023, Kamusi traders had cash in hand shs.15,000 and a bank credit balance of Ksh.120,000. During the month, the following transactions took place.

2023:

- Jan 3: Sold goods worth 12,000 and was paid 8,000 in cash and the balance was to be received later.
- Jan 10: Bought goods worth shs.5,000 and paid in cash.
- Jan 18: Received a cheque of Ksh.18,000 from a debtor.
- Jan 25: Purchased goods worth Ksh.40,000 partly paying by cheque of shs.35,000 and the rest in cash.

Required: prepare a two-column cash book. (4mks)

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9. State **four** benefits of division of labour and specialization in an organization. (4mks)

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10. The following information relates to Maji Matamu Stores as at 31st December 2023.

Details	Ksh.
Capital (31/12/2023)	1,020,000
Net loss	120,000
Additional investments	320,000
Monthly drawings	6,000

Determine the capital as at 1st January, 2023 (4mks)

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11. Outline **four** factors that encourage entrepreneurial practices in a country. (4mks)

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 12. Identify the source documents from which the following information can be obtained. (4mks)

Information	Source document
Sold goods amounting to ksh.2,000 on credit to Njeri	
Goods returned by Mwangi Ksh.420	
Bought goods worth Ksh.13,000 on credit from Juma	
Purchased goods from Nyayo traders and paid Ksh.30,000 in cash	

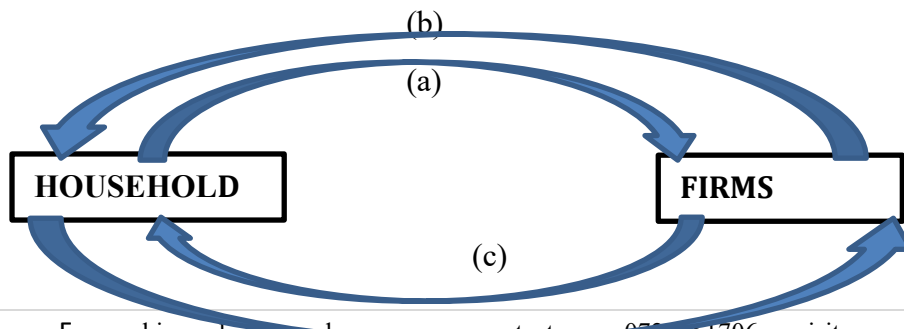
13. Outline **four** circumstances under which cash payment is appropriate. (4mks)

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14. Outline **four** benefits that accrue to a producer who uses train as a means of transport. (4mks)

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15. The diagram below represents the circular flow of national income; identify the factors represented by arrows labeled. (4mks)



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16. State **four** disadvantages of indirect taxes. (4mks)

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17. Outline **four** functions of money. (4mks)

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18. The following balances were extracted from the books of Taptok wholesalers for the year ended 31st December 2022. (4mks)

	Ksh.
Sales	7,000,000
Debtors	1,600,000
Creditors	2,100,000
Purchases	4,200,000
Cash at Bank	700,000
Opening stock	1,000,000
Closing stock	600,000
Cash in hand	130,000

Calculate:

- a). Cost of goods sold (1mk)
- b). Working capital (1mk)
- c). Rate of stock Turnover (2mks)

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19. Describe **four** channels that can be used to distribute locally produced perishable farm product. (4mks)

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20. State whether the following transactions will increase, decrease or has no effect on assets, capital and liabilities.

	Transaction	Assets	Capital	Liabilities
a).	Bought stock for Ksh.80,000 on cash			
b).	Bought furniture worth 90,000 on credit			
c).	Took some stock of goods worth ksh.10,000 from his business to his wife at home			
d).	Paid a creditor Ksh 20,000 by cheque.			

21. Highlight **four** benefits of warehousing to a consumer. (4mks)

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22. State **four** reasons for the privatization of state corporations. (4mks)

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23. Use the description below to identify the office equipment being described. (4mks)

	Description	Office Machine
a).	For cutting unwanted documents into tiny pieces to avoid such documents getting into the wrong hands.	
b).	Electronic device used for processing data, storing information and for communication purposes.	
c).	Used for trimming papers into required shapes and	

	sizes.	
d).	Used to transmit printed messages such as letters, maps, diagrams and photographs.	

24. Ole Tipis owns an industrial plant valued at Ksh. 40,000,000. On September 2023, the industrial plant was insured with two insurance companies: XYZ and ABC for Ksh. 30,000,000 and Ksh. 10,000,000 respectively. In January 2024 fire damaged 40% of the building. Calculate the amount of compensation to be contributed by XYZ, and ABC to cover the loss. (4mks)

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25. Outline **four** advantages that accrue to a firm due to the growth of the entire industry. (4mks)

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PAPER 2

1. (a) Explain **five** services rendered by retailers to producers. (10 marks)
(b) Outline **five** challenges one would face when measuring National income using expenditure approach. (10 marks)
2. (a) Explain **five** guidelines that should be followed by the county government in its expenditure. (10 marks)
(b) Describe the differences between private company and partnership. (10 marks)
3. (a) The following transaction took place in the business of Kessup traders in the first week of May 2023.

2023
May 1: Started business with sh 800,000 in bank and sh 200,000 in cash
May 2: Purchased goods values at sh 240,000 from Silker stores on credit
May 3: Paid rent sh 12,000 by cheque.
May 4: Purchased Business Premises for sh 560,000 from Kessup women group and paid by cheque.
May 5: Sold goods in cash sh 85,000.
May 6: Paid Silker stores sh 100,000 by cheque.

Required:
Use the above information to:

(i) Prepare the relevant ledger accounts and balance them off as at 7th May 2023 (8 marks)
(ii) Extract a trial balance. (4 marks)
(b) Explain **four** benefits of a proper filing to an organization. (8 marks)
4. (a) Explain **five** reasons for consumer protection. (10 marks)
(b) By aid of a diagram, explain the effect of an increase in demand of a product while its supply is constant on equilibrium price and quantity. (10 marks)
5. (a) Explain **five** reasons for the popularity of current accounts among business people. (10 marks)
(b) Explain **five** measures that may be used by the government to solve unemployment problems in the country. (10 marks)

6. (a) The following trial balance was extracted from the books of Kocholwa Grocery as at 31st December, 2023

**Kocholwa Grocery
Trial balance
As at 31st December 2023**

Details	Dr (shs)	Cr (shs)
Premises	1,500,000	
Debtors and creditors	20,000	30,000
Cash at bank	90,000	
Cash in hand	10,000	
Purchases and sales	140,000	320,000
Stock of good on 1 st Jan 2023	45,000	
Discounts	6,000	2,000
Salaries and wages	50,000	
Commissions		8,000
Power and lighting	12,000	
Returns	15,000	19,000
Carriage outwards	2,300	
Carriage inwards	5,400	
Capital		1,543,700
Furniture	27,000	
	<u>1,922,700</u>	<u>1,922,700</u>

Additional information

Stock of goods on 31st December, 2023 was worth sh. 22, 000.

Required:

- (i) Prepare Kocholwa Grocery trading, profit and loss account for the period ended 31st December, 2023. (6 marks)
- (ii) Prepare Kocholwa Grocery Balance sheet as at 31st December, 2023. (4 marks)
- (b) Explain *five* principles of insurance. (10 marks)

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1. State the type of utility created by each of the following production activities: (4mks)

Activity	Type of Utility
i. Transferring goods to where they are required	
ii. Changing the position of commodity from the period of production to the consumption	
iii. Transferring ownership of goods from one person to another.	
iv. Changing a commodity from raw materials to finished goods.	

2. Outline FOUR factors that may limit the use of containers as a method of transporting goods in developing countries. (4mks)

- i)
- ii)
- iii)
- iv)

3. State FOUR effects of a shift in supply curve to the right while the demand curve is held constant. (3mks)

- i)
- ii)
- iii)
- iv)

4. The following balances were extracted from the books of Kodiaga Traders on 31st December, 2022.

Fixed Assets	3,000,000.00
Stock	520,000.00
Creditors	610,000.00
Debtors	450,000.00
Bank Overdraft	310,000.00
Cash in hand	45,000.00

During the month of January, 2023, the following transactions took place:

Jan 01: Bought stock on credit worth Sh. 55,000.00

Jan 15: Sold goods worth Sh. 75,000.00 for Sh. 90,000.00 cash

Prepare a balance sheet as at 31st January, 2023.

(4mks)

5. Highlight FOUR situations that indicate existence of a business opportunity. (4mks)

- i)
- ii)
- iii)
- iv)

6. Given below are books of original entry, state the source documents used to prepare each of the books. (4mks)

BOOK OF ORIGINAL ENTRY

SOURCE DOCUMENT

- i) Sales return journal _____
- ii) Cash book _____
- iii) Purchase journal _____
- iv) Sale journal _____

7. State FOUR benefits that may be realized by a country as a result of government policy to relocate firms to rural areas. (4mks)

- i)
- ii)
- iii)
- iv)

8. Name FOUR accounting documents that are used in home trade. (4mks)

- i)
- ii)
- iii)
- iv)

9. Outline FOUR ways in which warehousing facilitates trade. (4mks)

- i)
- ii)
- iii)
- iv)

10. In the table below, name the type of error made in each of the following transactions.(4mks)

TRANSACTION	TYPE OF ERROR
i) A debtor for Sh. 250,000.00 settled her account by cheque and was never recorded	_____
ii) An invoice of Sh. 750,000.00 received from Yala traders was recorded in the effected account as Sh. 570,000.00	_____
iii) Sale of old furniture was recorded in sales account	_____
iv) Payment of Sh. 4,000 to Mumias was recorded in Mumia's Account	_____

11. Outline FOUR reasons why an increase in per capita income may not necessarily lead to a rise in the standard of living of the citizen. (4mks)

- i)
- ii)
- iii)
- iv)

12. Highlight FOUR ways in which the government may increase the amount of money in circulation.

(4mks)

- i)
- ii)
- iii)
- iv)

13. Machuki is a renowned coffee farmer. Give him FOUR reasons why he should join a producer cooperative society.

(4mks)

- i)
- ii)
- iii)
- iv)

14. State FOUR internal environments that may contribute to the success of a business enterprise.

(4mks)

- i)
- ii)
- iii)
- iv)

15. Outline FOUR circumstances under which a country may decide to conduct her trade with other countries. (4mks)

- i)
- ii)
- iii)
- iv)

16. State FOUR factors that are likely to contribute to unemployment in Kenya. (4mks)

- i)
- ii)
- iii)
- iv)

17. Name the type of direct tax described in the statement given below:

STATEMENT	TYPE OF TAX
i) A tax levied on savings like dividend held by individuals _____	
ii) A tax charged when an asset is sold at a price higher than the book value _____	
iii) A tax charged on transfer of land from one person to another _____	
iv) A tax charged on an individual's income which may be from salary _____	

18. State the use of each of the following office equipment (4mks)

- i) Guillotine.....
- ii) Franking machine
- iii) Stapler
- iv) Cash register.....

19. Outline FOUR reasons that may influence an individual to sell her imported produce directly to consumers. (4mks)

- i)
- ii)
- iii)
- iv)

20. The following is a format of the credit side of a three-column cash-book.

CR

Date		A	B	C	D

Name the columns marked A, B, C and D

- i) A
- ii) B
- iii) C
- iv) D

21. State FOUR ways in which the government may involve itself in commercial activities. (4mks)

- i)
- ii)
- iii)
- iv)

22. Highlight FOUR ethical issues in product promotion. (4mks)

- i)
- ii)
- iii)
- iv)

23. Outline FOUR factors that may limit exploitation of natural economic resources in a country. (4mks)

- i)
- ii)
- iii)
- iv)

24. State FOUR procedures of making an insurance claim.

(4mks)

- i)
- ii)
- iii)
- iv)

25. Outline FOUR Circumstances under which a monopolist would survive

(4mks)

- i)
- ii)
- iii)
- iv)

PAPER 2

1. (a). Explain 5 characteristics of economic resources (10 marks)
- (b). High unemployment in Kenya is the main challenge the Kenya Kwanza government is faced with. Explain 5 possible solution to the unemployment problem in Kenya. (10marks)
2. (a). Explain 5 disadvantages of Newspapers as an advertising media. (10mrks)
- (b). Explain five ways in which international trade may contribute to the development of a country. (10marks)
3. (a). Explain 5 benefits of a business plan to the entrepreneur. (10marks)
- (b). The following trial balance was extracted from the books of Kamau Enterprise on 31st December 2020.

**Kamau Enterprise
Trail Balance
As at 31st Dec 2020**

Details	Dr (sh)	Cr (sh)
Capital		800,000
Opening stock	200,000	
Sales and purchases	680,000	1,200,000
Returns	50,000	80,000
Discounts	80,000	45,000
Carriage inwards	42,000	
Debtors and creditors	200,000	105,000
Motor vehicle	750,000	
Furniture	250,000	
Rent	50,000	60,000
Bank overdraft		42,000
Carriage outwards	30,000	
TOTAL	2,332,000	2,332,000

Additional information: closing stock 100,000.

Required: Prepare Kamau Enterprise Trading, profit and Loss account for the year ended 31st Dec 2020. (10marks)

4. (a). Highlight 5 differences between a private Limited company and a public Limited company. (10marks)
- (b). Explain 5 factors that may lead to an increase in demand for tea in Kenya. (10 marks)
5. (a). Explain 5 external business environment that may affect business operation. (10marks)
- (b). Principles of insurance are guidelines that govern the relationship between the insurance company and the insured. Explain 5 such principles. (10marks)

6. (a). Explain 5 features that make Kenya shillings qualify as good money. (10marks)
- (b). Record the following transactions in the respective ledger accounts (10marks)
- 2003: April 1. Kemunto started a business with sh. 80,000.
April 2. Bought stationary for sh. 40 and paid in cash.
April 3. Opened a bank account and deposited sh. 50,000 from the cash till.
April 4. Bought a motorcycle worth 250,000 and paid by cheque.
April 5. Bought postage stamp for sh.60 in cash.

SERIES 17

PAPER 1

1. State the term given to each of the following disciplines. (4 marks)
- a) Study of how man strives to satisfy his unlimited wants using the limited resources.

 - b) Study of trade and aids to trade. _____
 - c) Study of the activities that are carried out in an office. _____
 - d) Study of the process of identifying a business opportunity and acquiring resources to start and run a business. _____

2. Outline four principles of insurance. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

3. The following are terms used in international trade; Loco Price, Free on Rail (F.O.R), Franco, Free on Board (F.O.B). Match each term with the appropriate description. (4 marks)

	Description	Term
a	Price quoted covers the goods as they are in the seller's premises.	
b	Price quoted covers goods up to when they are in the ship.	
c	Price quoted covers the cost of goods and any other expenses up to the buyer's premises.	
d	Price quoted covers goods until they are loaded on rail.	

4. State four accounts to which changes in stock may be recorded. (4 marks)

- a) _____
- b) _____

- c) _____
- d) _____

5. State four reasons why banks prefer open plan offices. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

6. Outline four factors that may make a producer to by-pass the wholesaler when distributing goods. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

7. State four reasons for consumer protection. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

8. The following information relates to Karibu traders for the year ended 31st December, 2020.

Details	Kshs
Fixed Assets	1,840,000
Current Assets	400,000
6 year bank loan	600,000
Current Liabilities	150,000

Determine owner's capital using the above information. (4 marks)

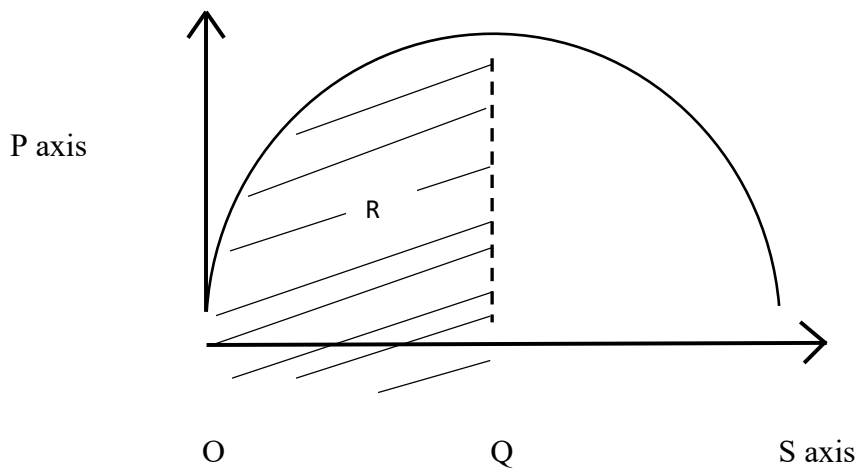
9. State four uses of a general journal. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

10. State the level of production involved in each of the following occupations.

	<u>Occupation</u>	<u>Level of production</u>
a	Road building	
b	Farming	
c	Teaching	
d	Food processing	

11. The diagram below represents the relationship between population and income per capita.



State what is represented by P and S (axes) and Letter R and Q. (4 marks)

- a) P axis _____
- b) S axis _____
- c) R _____
- d) Q _____

12. Highlight the unit of carriage associated with the following means of transport. (4 marks)

- a) Pipeline transport _____

- b) Human portorage _____
- c) Water transport _____
- d) Cartage transport _____

13. State four limitations of national income statistics as a measure of the standards of living. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

14. Outline four merits of indirect tax. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

15. State four difficulties faced in the satisfaction of human wants. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

16. Highlight four benefits to a business that uses E-mail in communication. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

17. Highlight four uses of a business plan to a business man. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

18. Highlight four ways in which a firm may differentiate its products from those of its competitors. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

19. Outline four qualities of a successful salesperson. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

20. The following information relates to the business of Watamu Enterprises.

Opening stock Ksh 28,000
Closing stock Ksh 42,000
Rate of stock turn over 4 times
Mark – up 25%

From the above information, determine

- (i) Cost of goods sold. (2 marks)
- (ii) The gross profit. (2 marks)

21. Outline four benefits to a business that uses its own warehouse. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

22. The table below shows the demand and supply of shoes in a certain region. Use it to answer the questions that follow.

Price in Ksh	Quantity demanded	Quantity supplied
500	1200	602
650	900	780
730	850	850
820	700	905
940	620	1600

(i) Determine the total excess supply. (1 mark)

(ii) Determine the total excess demand. (1 mark)

(iii) Determine the equilibrium price. (1 mark)

(iv) Determine the equilibrium quantity. (1 mark)

23. Highlight four economic factors that affect the consumers' buying abilities and preferences. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

24. State four reasons that may make a firm locate close to source of raw materials. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

25. Mention four services that wholesalers offer to retailers. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

PAPER 2

- 1 (a) Explain five characteristics of money. (10 marks)
- (b) There has been a decline in the demand for wooden furniture. Explain five factors that may have caused this trend. (10 marks)
- 2 (a) Explain the procedure of making an insurance claim. (10 marks)
- (b) Explain five measures that a country may take to reduce unemployment. (10 marks)
- 3 (a) The following trial balance was extracted from the books of Kibe Limited on 31st December 2016.

Details	Dr	Cr
Capital		800,000
Opening stock	200,000	
Purchases	680,000	
Returns	50,000	80,000
Discount	80,000	45,000
Carriage inwards	42,000	
Debtors and creditors	200,000	105,000
Sales		1,200,000
Motor vehicles	750,000	
Furniture and fittings	250,000	
Rent	50,000	
Bank overdraft		60,000
Carriage outwards	30,000	

Additional information: closing stock was valued at Ksh 80,000

Required: Prepare a trading profit and loss account. (10 marks)

- (b) Explain five importance of filing documents in an office. (10 marks)
- 4 (a) Explain five negative effects of inflation on the economy of a country. (10 marks)
- (b) Julian runs a factory and has employed fifty workers. Explain five reasons why it would be beneficial to assign each worker a specific job in production. (10 marks)
- 5 (a) Explain five principles of co-operative societies. (10 marks)
- (b) Kenya is looking forward to the realization of vision 2030. Explain five problems that may be encountered during implementation. (10 marks)
- 6 (a) Explain five benefits of a business to the society. (10 marks)
- (b) On 1st March 2021, Omino had shs 40,000 in hand and shs 120,000 at bank. During the month, the following transactions took place:
- March 2: paid rent shs 20,000 by cheque.
- March 4: cash sales banked shs 42,000.

March 5: Kimani a debtor settled his account of shs 12,000 in cash less 5% cash discount.

March 7: Paid wages shs 8,000 in cash.

March 12: Withdrew shs 10,000 from bank for office use.

March 18: Paid Borabu, a creditor shs 48,000 in full settlement of his account after deducting 4% cash discount.

March 23: Received a cheque for shs 19,000 from Salome after allowing her a cash discount of shs 1,000.

March 31: Deposited all the cash into the bank except shs 15,000.

Required: Prepare a three column cash book and balance it off. (10 marks)

SERIES 18

PAPER 1

ANSWER ALL QUESTIONS

1. Highlight four benefits of learning business studies. (4 marks)

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2. State four demographic factors that affect the operation of the business. (4 marks)

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3. In the table below, indicate the level of production associated with the following occupations

Occupation	Level of production
a)Retailer	
b)fishing	
c)Plumbing	
d)Store keeping	

4. Highlight four reasons why choice is important in the satisfaction of human wants (4 Marks)

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5. Outline 4 emerging trends in office practice (4 Marks)

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6. Give four reasons why an insured may not be compensated (4 Marks)

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7. Highlight four circumstances under which a partnership can be dissolved. (4marks)

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8. Highlight four measures that a government may take to reduce the mortality rate in a country (4 Marks)

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9. State **four** reasons why it is suitable to locate a bonded warehouse at the point of entry of a country (4 Marks)

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10. State **four** circumstances under which it may be appropriate to use personal selling as a form of product promotion. (4mks)

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11. State **four** factors that may lead to an increase in market supply of a product (4 Marks)

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12. The information relates to Solia traders for the month of June 2021.

	Sh.
Opening stock	75,000
Purchases	395,000
General expenses	60,000
Closing stock	170,000
Sales	500,000
Capital	1,000,000

Determine;

- (i) Cost of sales (1 mark)
- (ii) Gross profit (1 mark)

(iii) Rate of return on capital. (2 marks)

13. In each of the following cases, state the type of inflation described. (4marks)

- a) The unrest in Ukraine has resulted to an increase in the price of fertilizers.....
- b) The price of bread has gone up to sh.60 due increase in the price of fertilizers.....
- c) A lot of money in circulation has led to the general increase of price.....
- d) Arise in price due to uneven growth in some sectors of the economy

14. Highlight four circumstances under which down ward communication can be used in an organization (4marks)

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15. Name the document described in each of the following statements (4 Marks)

- a) Sent by the seller to inform the buyer that the goods have been dispatched
.....
- b) Issued when empty containers initially billed in the invoice are returned
.....
- c) Issued to accompany goods when using a hired means of transport
.....
- d) Issued by a buyer to a seller to acknowledge a debt
.....

16. Highlight four features of oligopoly market. (4 marks)

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17. The following transactions were extracted from the books of Impact traders for the month of November 2018.

November 15: Sold goods worth Ksh.150,000 paying by cheque.

November 18: Paid salaries Ksh.20,000 in cash.

Record the above transactions in the relevant ledger accounts and balance them off as at 18 November, 2018. (4 marks)

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18. For each of the following daybooks, State the relevant source document

- a) Sales journal.....
- b) Cash receipt journal.....
- c) Purchases return journal.....
- d) Sales return journal.....

19. State **four** functions of commercial attaches. (4 Marks)

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20. Highlight four advantages of paying for transactions using a cheque. (4 Marks)

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21. State four goals of development in a country. (4mks)

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22. For the year ended 31st December 2004 (4mks)

Total assets Shs. 427500, Total liabilities Shs. 4800

- i) Additional capital introduced was Shs. 24000
- ii) Drawings made during the year was Shs. 2000
- iii) Net profit was Shs. 34500

Required to: Determine the capital as at 31st December 2004

.....

23. Identify various types of direct taxes described in the table below.

(4 Marks)

Description	Type of tax
Tax levied on personal income	
Tax levied on profits of a company	
Tax levied on inherited property	
Tax levied on profit made from sale of assets	

24. State **four** ways in which the nature of goods would influence the choice of transport (4mks)

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25. The following information relates to average price of exports and imports in 2021 and 2022 of country k

Year	Average price of export	Average price of imports
2021	100,000	400,000
2022	120,000	650,000

Required:

- a) Calculate the terms of trade (3marks)
- b) Comment on the term of trade calculated above (1mark)

PAPER 2

1. (a) Explain five circumstances under which a manufacturer may prefer to sell directly to the consumer. (10 Marks)
- (b) Explain five factors that will lead to an increase in a country's national income (10 Marks).
2. (a) Highlight five challenges that a young population poses to a country (10 Marks)
- (b) Face to face communication is considered very effective for all business negotiations. Identify five circumstances where this may NOT be the case. (10 Marks)
3. (a) Outline four considerations that a seller should take into account before giving credit to a customer. (8 Marks)
- (b) The following trial balance was extracted from the books of Gen Z Traders for the year ended 31/12/2023.

Gen Z Traders
Trial Balance
As at 31st December 2023

Details	DR	CR
Capital		557,425.00
Drawings	25,750.00	
Opening stock	75,600.00	
Purchases	458,580.00	
Sales		613,840.00
Returns	2,545.00	6,545.00
Carriage inwards	54,680.00	
Carriage outwards	6,570.00	
Discount	8,755.00	9,560.00
Insurance	35,400.00	
Commission	4,500.00	
Rent		24,500.00
Furniture	45,000.00	
Land	255,800.00	
Premises	258,750.00	
Debtors	65,890.00	
Creditors		85,950.00
	1,297,820.00	1,297,820.00

Closing stock was valued at shs. 158,000.

Required;

- (i) Prepare a trading and profit and loss account for the year ended 31st Dec, 2023. (10 marks)
- (ii) Calculate ;
- (a) Mark up (1 mark)
- (b) Rate of stock turn over. (1 mark)
4. (a) Explain five ways in which inflation may be found to be useful in an economy. (10mks).
- (b) On 1st January 2022 Wajumbe Traders had sh 75,000 cash in hand and a bank overdraft of shs 95,000. During the month, the following transactions took place.

2022

Jan 2 Cash sale sh 185,500

“ 4 Omba Omba a debtor settled his account of sh 17,000 by cheque less 5% cash discount.

“ 12 Paid salaries sh 65,000 in cash.

“ 16 Settled Mungwana, a creditor, account of sh 95,000 by cheque less 2% cash discount.

“ 23 Deposited sh 140,000 into bank from office cash.

“ 26 Cash sales banked directly shs 156,460.

“ 27 Omba Omba’s cheque received on 4th January 2022 was dishonoured.

“ 31 Banked all cash except sh 15,200.

Required: Prepare a three-column cash book dully balanced. (10 Marks)

5. (a) Explain **five** functions of the national budget as a tool of planning. (10 marks)
- (b) Explain five features that differentiate Public Limited Company from partnership form of business (10 marks)
6. (a) Explain five functions of public finance to the government of Kenya. (10 marks)
- (b) Explain five benefits of specialization in an organization (10 marks)

SERIES 19

PAPER 1

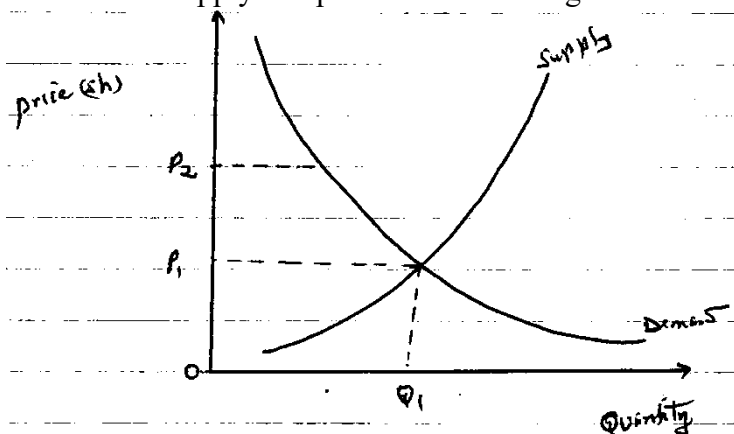
1. State the term used to describe each of the following disciplines (4 mks)
 - (i) Study of the process of identify and acquiring necessary resources to start and operate a business
 - (ii) Study of how human beings store to satisfy their endless wants using the scarce resources.....
 - (iii) Study of trade and aids to trade.....
 - (iv) Study of the systematic way of recording business activities and using the records of decision making.....

2. Outline four aspects of economic environment that may influence business operations (4 mks)
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3. Name four accounting documents used in home trade (4 mks)
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4. Outline four benefits of using social media such as whatsapp groups for office communication (4 mks)
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.....
.....

5. Hamina has an intention of starting a business of selling cabbage in the local market, the demand and supply is represented in the diagram below



State four consequences of selling the cabbages at P2 (4 mks)

6. Given the following items of Owino's traders

Stock 31/12/2023	30,000
Stock 1/1/2023	28,500
Purchases	200,000
Return inwards	4,000
Carriage	8,000

Additional information;

- i) Carriage outwards was twice as much as carriage inwards
- ii) Return inwards was 1/2 of return outwards
- iii) Margin was 1/5

Prepare Owino's trading account (4 mks)

7. State four demerits of trade liberalization to a country (4 mks)

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8. Highlight four factors that influence transaction motive of holding money (4 mks)

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9. State the relevant books of original entry into which information extracted from the source documents given below would be recorded (4 mks)

SOURCE DOCUMENT	BOOKS OF ORIGINAL ENTRY
(a) Incoming invoice
(b) Outgoing invoice
(c) Outgoing cash sale slip
(d) Incoming debit note

10. Identify the reward related to each of the following resources (4 mks)

RESOURCE	REWARD
(a) Supervision
(b) Tractor
(c) Trees
(d) Owner

11. Outline four difficulties that a country with a young population may experience (4 mks)

12. The following figures relates to Mwembe maziwa traders for the year ended 31st December ,2023

ITEM	AMOUNT (KSHS)
(a) Net loss	10,000
(b) Capital (31 st December, 2023)	470,000
(c) Monthly additional investment	17,500
(d) Drawings	30,000

Determine capital as at 1st January, 2023 (4 mks)

13. Highlight four characteristics of oligopoly market structural (4 mks)

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14. State circumstances under which asset stock may change (4 mks)

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15. The following information relates to commodity Z

YEAR	PRICE (kshs)
2021	450
2022	675

(a) Calculate the consumer price index (2 mks)

(b) Comment on your answer (2 mks)

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16. Jane decided to take insurance cover for her car against theft from Britam Insurance Limited. It was valued at kshs 90,000 and she was required to make monthly payment of Kshs 4,000. Identify the appropriate Insurance term for the following (4 mks)

- i) Kshs 90,000
- ii) Britam Insurance Limited
- iii) Jane
- iv) Theft

17. Name the office machine which serves the following functions (4 mks)

- a) Trimming documents into required shapes and sizes
- b) Printing postage impression on envelopes
- c) Transmitting printed messages
- d) Folding documents placing them in envelopes and sealing the envelopes
18. Highlight four reasons for which the business should observe ethical practices (4 mks)

19. State four features of co-operative societies (4 mks)

20. The following transactions took place during the month of Sept 2023, in the business of May traders.
 Sept 1; Started a business with shs 50,000 in the bank shs 10,000 worth of stock
 Sept 2; Sold goods for shs 4,000 to Halid.
 Sept 3; Bought goods worth shs 15,000 and paid by cheque.
 Required; record the above transactions in the relevant ledger (4 mks)
21. Identify four measures that the government is putting in place to influence the location of business enterprises in the country (4 mks)

22. Outline four roles of stock exchange market for securities in Kenya (4 mks)

23. State four circumstances under which a trader would prefer to transport goods by air (4 mks)

24. State the participants in a closed two sector economy represented by each of the statement given (4 mks)
- | STATEMENT | PARTICIPANTS |
|--|---------------------|
| i) Payment for goods and services | |
| ii) Sale of factors of production | |
| iii) Payment for factors of production | |
| iv) Sale of goods and service | |
25. Highlight four characteristics of economic resources (4 mks)

PAPER 2

1. (a) Explain FIVE Internal environment factors that contributes to the success of a business (10mks)
(b) Explain FIVE features of public corporations (10mks)
2. (a) On 1st January 2022 Maraba traders had ksh. 220,000 in cash and a bank overdraft of ksh. 28,000

During the month the following transaction

- Jan 2: Cash sales directly banked ksh. 350,000
- Jan 4: Received a cheque of kshs. 225,625 from Karen in full settlement of her debt after allowing a 5% cash discount
- Jan 7: Donated cash ksh 58,000 to the business from SACCO own savings
- Jan 10: Paid sakwa Investments ksh. 92,000 in cash after deducting cash discount of ksh. 8,000
- Jan 13: Deposited ksh. 35,000 from cash till into the bank.
- Jan 18: Paid rent ksh. 72,000 in cash
- Jan 22: Sold goods worth Ksh 40,000 to Barasa on credit
- Jan 24: Settled Lukoye trader's account of ksh 60,000 by cheque less 15% cash discount.
- Jan 28: Withdrew ksh 52,000 from the bank for office operations
- Jan 30: Took ksh. 25,000 from the business for personal commitments
- Jan 31: Deposited all cash except ksh. 35,000

Required: Record the above transaction in a three column cash book and duly balance.

- (b) Explain FIVE principles of a good taxation system. (10mks)
3. (a) Explain FIVE circumstances shopper may prefer buying goods from single shops rather than supermarkets.(10mks)
(b) Explain FIVE benefits Kenya gets by being a member of the common market for Eastern and Southern Africa states (COMESA). (10mks)

4. (a) A commodity X has a normal demand and supply, with the aid of a diagram describe the effect of introduction of government subsidy on inputs on the equilibrium price and Quantity (10mks)
- (b) Discuss FIVE factors that may be considered when choosing a method of promoting a product (10mks)
5. (a) Explain FIVE advantages of adopting modern technology in office operations. (10mks)
- (b) Explain FIVE strategies the government can adopt to address the problem of youth unemployment (10mks)
6. (a) Explain FIVE benefits of warehousing to consumers. (10mks)\
- (b) The following balances were extracted from the books of Ejinja outlets ltd for the year ended 31-12-2021.

Item	Kshs
Transport	45,000
Advertising	11,000
Rates	10,000
Wages	70,000
Interest earned	18,940
Gross profit	305,000
Discount Received	19,200
Discount Allowed	15,100
Sundry Expenses	84,000
Stock	46,800
Land and premises	2,600,000
Furniture & fixtures	1,050,000
Debtors	200,000
Creditors	400,000
Bank	420,240
Cash	41,000
Drawings	150,000
Capital	4,000,000

Required:

- (i) Prepare the profit and loss account for the year ended 31-12-2021 (5mks)
- (ii) Balance sheet as at 31-12-2021. (5mks)

SERIES 20 PAPER 1

1. State the line of communication involved in each of the following (4 Marks)

a) The manager of Safaricom Ltd. Communicating to the Manager of Airtel Ltd.

b) An account clerk asking for time off from her boss

c) Sales manager giving instructions to the secretary of the finance manager

d) The receptionist giving explanations to the production manager

2. State **FOUR** demerits of high taxation to the Kenyan economy. (4 Marks)

i) _____

ii) _____

iii) _____

iv) _____

3. Identify the environmental factor described below. (4marks)

a) Skills and methods used in production _____

b) Affects buyer's ability to buy products _____

c) Firms selling similar products trying to outdo each other _____

d) Aspects of the population. _____

4. The following information was extracted from the books of Mogaka Enterprises on 10th March 2020.

March 1: Credit purchases from Obirocha Ksh.1,200 and Agwata Ksh.3,000.

March 5: Credit sales to Okello Ksh.2,000 and Michieka Ksh.4,300.

Required:

Record the transactions in the relevant journals.

(4 Marks)

5. Outline **FOUR** disadvantages of localizing firm within one region

(4 Marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

6. Mention **FOUR** benefits of using WhatsApp groups for office communication (4 Marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

7. State **FOUR** circumstances that may lead to the dissolution of a partnership (4 Marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

8. The following balances were extracted from the books of Ufanisi Enterprises on 31st Dec 2022.

Fixed Assets	Ksh. 3,000,000
Current Assets	Ksh. 500,000
Creditors	Ksh. 700,000
4 years loan	Ksh. 1,500,000

Calculate the net worth of the business

(4 Marks)

9. For each of the following descriptions, identify the corresponding method of product promotion. (4marks)

Description	Method of promotion
a) Free promotion of a product	
b) Strategies to increase sales at the point of promotion	
c) Impersonal presentation of a product through mass media	
d) Meant to improve the reputation of a firm.	

10. The participants in a two sector economy are households and firms. Identify the relevant participant in each of the statements given. (4 Marks)

Statement	Participant
i) Payment of goods and services	_____
ii) Sale of factors of production	_____
iii) Payment of factors of production	_____
iv) Sale of goods and services	_____

11. Highlight **FOUR** commercial services that facilitate trade. (4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

12. Outline **FOUR** tools used by central bank to control credit. (4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

13. The information below relates to R.S Ltd.

	Sh.
Sales	20,000
Cost of sales	15,000
Average stock	6,000
Expenses	10% of sales

Calculate;

i) Markup (1 mark)

ii) Margin (1 mark)

iii) Rate of stock turn over. (1 mark)

iv) Net profit. (1 mark)

14. Outline FOUR challenges that a new entrepreneur will experience when establishing business in Kenya (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

_____ { 5 } _____

15. State **FOUR** advantages of taking an endowment insurance policy.

(4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

16. The Ministry of Lands has been accused of being run by cartels. Highlight **FOUR** disadvantages of cartels to consumers.

(4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

17. Kenya has been experiencing an upward trend in the prices of petrol. State **FOUR** steps that can be taken to minimize expenditure on petrol.

(4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

18. State the type of unemployment described below.

(4marks)

a) Experienced where demand for goods and services is seasonal.

b) Occurs when a person seems to be employed but is mainly underutilized.

c) Occurs when jobs are available but one does not have the required qualifications.

d) Caused by economic factors leading to poor performance of the economy.

19. State **FOUR** features of a perfectly competitive market.

(4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

20. Outline **FOUR** reasons that can lead to a correctly drawn cheque being dishonored. (4marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

21. If a house worth Kshs 1,200,000 was insured against fire for Kshs 900,000 under the 'with average'. Fire occurred and damaged the house causing a loss of Kshs 500,000. Determine the value of compensation due to the insured. (4marks)

22. State **FOUR** problems encountered in measuring national income using the output approach (4 marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

_____ (7) _____

23. On 1st October 2021, Wambu bought goods on credit quoted at shs. 240,000. Terms of sales were; 20 % trade discount and 10 % cash discount if payment was made on 29th October 2021. Calculate the amount paid if payment was made on 26th October 2021. (4 marks)

24. List down any **FOUR** expenses a middleman would incur in the chain of distribution. (4 marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

25. The table below shows the demand and supply of shoes in a certain region. Use it to answer the questions that follow.

Price in Ksh	Quantity demanded	Quantity supplied
500	1200	602
650	900	780
730	850	850
820	700	905
940	620	1600

- (i) Determine the total excess supply. (1 mark)
- (ii) Determine the total excess demand. (1 mark)
- (iii) Determine the equilibrium price. (1 mark)
- (iv) Determine the equilibrium quantity. (1 mark)

PAPER 2

1.(a) Explain **FIVE** factors that are likely to lead to high birth rate in Kenya. (10marks)

(b) On March 1st 2017, Martha had cash in hand sh 87,000 and cash at bank sh 250,000. During the month, the following transactions took place.

March 2: Cash sales sh 60,0000

3: Paid salaries sh 101,500 by cheques

7: Received a cheque of sh 76,000 from Henry, after allowing him cash discount of 5%

13: Bought office furniture by cheque shs 86,000

17: Settled Maria's account for shs34,200 in cash having deducted shs 800 cash discount

20: Received a cheque for shs 165,000 in respect of cash sales

22: Paid wages shs 25,000 in cash.

24: Withdrew shs 32,000 from the bank for office use.

25: Withdrew shs 4,000 cash for personal use.

29: Received shs 17,000 cash from Alvin in settlement of his account less shs 1,000 cash discount

31: Deposited all the cash into the bank except shs 24,000

Prepare three column cash book duly balanced (10marks)

2. a) Explain five features of oligopoly (10mks)

b) Explain five disadvantages of mail order stores (10mks)

3. a) Explain **FIVE** differences between an open office and an enclosed office (10marks)

b) The following balances were provided by Nkatha traders on 30th June 2021.

	<u>Kshs.</u>
Capital	150,000
Carriage inwards	9,100
Carriage outwards	17,500
Cash at Bank	28,500
Cash in Hand	3,200
Creditors	35,000
Debtors	16,500
Discounts Allowed	5,400
Discounts Received	2,700
Drawings	31,400
Furniture and Fittings	58,500
Motor Vehicles	65,200
Office machines	7,500
Purchases	228,200

Rates and Insurance	11,600
Returns Inwards	9,900
Returns Outwards	16,400
Sales	362,700
Wages and Salaries	41,800

Additional information:

Opening and closing stock were valued at kshs. 32,800 and kshs. 29,500 respectively.

Required;

Prepare Nkatha Traders Trading, Profit and Loss Account for the period ending 30th June 2021. (10marks)

4. (a) There has been a decline in the demand for wooden furniture. Explain **FIVE** factors that may have caused this trend. (10 marks)
- (b) Explain the procedure of making an insurance claim. (10 marks)
5. (a) Other than bidding, explain **FIVE** other methods of determining the price of a product in a market. (10 marks)
- (b) Explain **FIVE** differences between private limited companies and partnerships forms of business units. (10marks)
6. (a) Explain clearly with aid of a diagram the change of equilibrium as a result of increase in supply of a commodity. (10marks)
- (b) Explain **FIVE** uses of national income statistics. (10marks)