TOP NATIONAL SCHOOLS TRIAL EXAMS 2022

GEOGRAPHY

A SOURCE YOU CAN TRUST

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- KABARAK AND SACHO JOINT
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- BAHATI GIRLS

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ASUMBI GIRLS HIGH SCHOOL

PAPER 1

1. State four reasons why people satisfy basic wants before secondary wants. (4 mks)
2. Write the type of accounts the following items fall under (4 mks)

	ITEM	TYPE OF ACCOUNT
a	Discount received	
b	buildings	
c	Creditor kemboi	
d	capital	

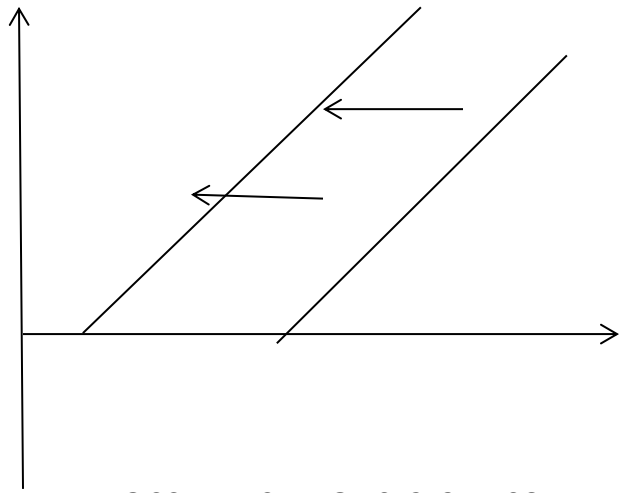
3. Highlight four assumptions of the circular flow of income in a two-sector economy (4 mks)
4. Highlight four reasons why it is suitable to locate a bonded warehouse at a point of entry of a country(4
5. State the type of unemployment described below (4 mks)

	DESCRIPTION	TYPE OF UNEMPLOYMENT
a	People lose jobs and spend time looking for a new job	
b	Unemployment occurs repeatedly at similar times	
c	Affects certain occupations such as the construction industry	
d	Workers unwilling to accept the current wage rate	

6. State four reasons why a businessperson would prefer to use current account. (4 mks)
7. Highlight four ways that can be used to correct unfavorable balance of payment. (4 mks)
8. State four internal economies of scale. (4 mks)
9. Indicate with a (+) for increase, (-) for decrease and a (0) for no change in totals of the balance sheet following the transactions below: (4 mks)

	TRANSACTION	EFFECT
a	A debtor paid by cash	
b	Paid creditors by cheque	
c	Bought goods on credit	
d	Withdrew cash from bank for office use	

10. A trader wants to import a car from Japan. List four possible channels of distribution he will use.(4 mks)
11. Outline four benefits that accrue to business organizations that use the latest technology in record keeping.(4
12. Highlight four ways in which a business idea can be implemented. (4 mks)
13. Outline any four ways through which producers co-operatives help agricultural development in Kenya(4
14. Identify four types of small scale retail business without shops that wambui can run without a shop.(4 mks)
15. Why would an exporter prefer to use container services as a method of transport? (4 mks)
16. The diagram shows a shift of a supply curve for a certain commodity. (4 mks)



State four reasons why the supply curve could have shifted from S0 to S1

17. Given the items of Njoroge Wholesalers on 1st July 2000 (5 mks)

Building	780,000
Net loss	43,000
Additional investment	8,400
Stock	45,000
Creditors	32,000
Debtors	29,000
Loan	240,000
Overdraft	60,000
Weighing machine	17,000
Cash	30,000

Prepare a balance sheet as at that date

18. Highlight three features of cartels (3 mks)
19. The following are some of the terms used in international trade. Write the following initials in full. (4 mks)

a) F.O.B
b) C.I.F
c) F.A.S
d) F.O.R

20. The following information relates t to Maji Mazuri Traders as at 31. 12. 2010. (4 mks)

Fixed assets	400,000
Stock	120,000
Current liabilities	60,000
Net profit for the current year	100,000

Calculate:

a) Working capital (2 mks)
b) Rate of return on capital employed (2 mks)

21. Outline four factors that may limit te development of a less-developed country. (4 mks)
22. Highlight four factors that should be considered by a firm when deciding on the method to use for promoting its products. (4 mks)
23. Identify four types of taxes based on structure of taxes. (4 mks)
24. Highlight four problems associated with determining consumer price index in an economy. (4 mks)
25. A farmer's house valued at ksh. 1,200,000 was insured against fire for ksh. 900,000 under the 'average clause'. Fire occurred and damaged the house causing a loss of ksh. 500,000. Determine the value of compensation due to the farmer. (4 mks)

PAPER 2

Question one

a) Explain five means of payment that are provided by commercial banks. (10 mks)
b) Explain five reasons why small scale firms continue to exist in an economy dominated by large scale firms. (10 mks)

Question two

e) Describe the procedure used in making an insurance claim. (10 mks)
f) Explain five disadvantages that a country may experience from imposing trade restrictions on trading partners. (10 mks)

Question three

c) Discuss five factors to consider when choosing an office layout for a firm. (10 mks)
d) Explain fve challenges experienced by a country when using expenditure approach to measure national income. (10 mks)

Question four

a) Differentiate between monopoly and monopolistic competition product markets.(10 mks)
b) Explain five ways through which consumers may protect themselves against exploitation by producers and business people. (10 mks)

Question five

a) Explain any five circumstances under which a firm may prefer written communication over oral communication. (10 mks)
b) From the trial balance given below, prepare a trading, profit and loss account for the year ended 31st august 2021and a balance sheet as at that date. (10 mks)

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	
Equity loan		170,000
Furniture and fittings	45,000	
Discounts	25,000	36,000
Opening stock	40,000	
Carriage outwards	7,000	
Rent		24,000
Advertising	13,000	
Land and Buildings	500,000	
KPY 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**

Question six

a) Explain four ways through which the price of a commodity may be determined (8 mks)
b) The following information was extracted from the e books of Mbaikipingo:

2018
Feb 1 credit purchases: kamendish 12,000. Mugendish 30,000 and Opiyosh 25,000
Feb 5 credit sales to Monica sh 20,000
Feb 7 returned goods to Kamendish 320
Feb 8 cash purchases paid for by chequesh 39,000
Analyze the above transactions in the relevant day books (12 mks)

MARANDA SCHOOL

PAPER 1

1. Define the following terms as used in Business Studies. (4 marks)
   i) Economics.
   .....
   .....
   ii) Commerce.
   ……
   ……..
   iii) Accounting.
   ……
   ……
   iv) Office practice.
   ……
   ……
2. State any **FOUR** characteristics of land that may differentiate it to any other factors of production. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……
3. Outline **FOUR** circumstances under which downward communication may be used in a firm. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……
4. State **THREE** circumstances under which firms would form a cartel. (3 marks)
   i) ……
   ii) ……
   iii) ……
5. State **FOUR** services offered by a commercial bank to its customers. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……
6. The following balances were extracted from the books of Mwalimu Traders as at 31st May 2021

	Sh.
Current assets	220,000
Capital	325,000
Net profit	85,000
Creditors	98,200
Accrued expenses	11,800

Determine:

a) Working capital (2 marks)

b) Return on capital

7. Mwalimu Castro had a house valued at Sh. 1,000,000. He had insured the house against the risk of fire with **Company A** for Sh. 900,000, with **Company B** for Sh. 1,100,000 and with Company C for Sh. 1,000,000. Unfortunately the house was completely destroyed by fire. Calculate the amount of money paid by each company as compensation for the loss. (5 marks)
8. Highlight **FOUR** factors that may cause the supply curve to shift to the right. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……

9. Highlight **FOUR** benefits of personal selling to a trader. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……

10. Indicate the type of journal in which each of the following transactions would be recorded. (4 marks)

Transaction.	**Type of journal.**
a). Bought a computer on credit.	
b). Returned goods previously bought on credit.	
c). Sold goods on credit.	
d). Bought shares in accompany.	

11. List any **FOUR** contents of a delivery note. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……

12. State **FOUR** adjustments in the capital of a business. (4 marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……

13. Outline one circumstance under which each of the following types of inflation may occur. (4 marks)

i) Creeping inflation.
……
……

ii) Hyperinflation.
……
……

14. The economy of a country X has grown at the rate of 10% per annum for the last two years however, the standard of living among the citizens has not changed. Outline FOUR reasons that may have contributed to this trend. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

15. Give any **FOUR** circumstances under which insurers may not be compensated. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

16. Outline **FOUR** duties of commercial attaches' (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

17. List any **FOUR** sources of Public Finance. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

18. The following balances were extracted from the books of Usenge Wholesalers for the month ended 31st August 2021.

	Sh.
Sales	500,000
Purchases	320,000
Opening stock (1.08.2021)	80,000
Closing stock (31.08.2021)	40,000
Debtors	140,000
Creditors	90,000

Calculate (4 marks)

a) Margin.
b) Current ratio
c) Rate of stock turn over

19. The following is a format of the debit side of a three column cash book.

Dr.

Date		**V**	**W**	**X**	**Y**

Name the columns **V**, **W**, **X** and **Y**. (4 marks)

a) **V** is ……..
b) **W** is …….
c) **X** is ……..
d) **Y** is …….

20. Nyaboke operates a shop in a farming area. State **FOUR** ways in which the farming community can benefit from the business activity. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

21. In which ways can investor benefits from the stock exchange. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

22. Outline **FOUR** benefits of intermediaries to the consumer in the chain of distribution. (4 marks)

i) ……
ii) ……
iii) ……
iv) ……

23. Highlight **FOUR** circumstances under which business enterprises may choose to merge. (4 marks)

i) …….
ii) …….
iii) …….
iv) …….

24. Give **FOUR** measures that a manager can take to improve the working environment in the office. (4 marks)

i) …….
ii) ……
iii) …….
iv) …….

25. The aggressive campaign for citizens to plan their families seems to be causing a decline in the country's population growth. Outline **FOUR** possible effects of this. (4 marks)

i) ……...……..

PAPER 2

1. (a) Explain **five** services offered by wholesalers to the retailers. (10 marks)
   (b) Explain **five** benefits of pooling of risks to an insurance company. (10 marks)

2. (a) Explain **five** differences between sole proprietorship and public limited company. (10 marks)
   (b) Increase in money circulation is the major cause of inflation. Explain **five** monetary policies that the central bank of Kenya can use to control inflation. (10 marks)

3. (a) The following balances were extracted from the books of Malaba Traders on 1st January 2020

	Kshs.
Capital	600,000
Creditors	180,000
Motor van	200,000
Furniture	200,000
Stock	60,000
Debtors	80,000
Cash	240,000

   The following transactions took place during the year ended 30th June 2020
   i) Purchased goods worth Kshs. 100,000 for which of Kshs. 70,000 was paid and the balance was still outstanding at the end of the trading period.
   ii) Cash Kshs. 10,000 was taken by the owner of the business to pay the daughter's school fees
   iii) Sold furniture worth Kshs. 60,000 for which Kshs. 40,000 cash was received and the balance was due at the end of the trading period

   Prepare a balance sheet as at 30th June 2020

   (b) Explain **five** factors that may promote entrepreneurship in Kenya. (10 marks)

4. (a) Mutwiri runs a manufacturing firm and has employed fifty workers. Explain **five** reasons why it is would be beneficial to assign each worker a specific job in production. (10 marks)
   (b) Explain **five** benefits that Kenya may get as a member of **COMESA**. (10 marks)

5. (a) Traders are required to observe ethical practices when carrying out product promotion. Explain **five** reasons for observing such ethical practices. (10 marks)

   (b) The following trial balance was extracted from the books of Majengo traders as at 31st December 2017

	Dr	Cr
Opening stock	30,000	
Purchases/Sales	275,000	390,000
Debtors	47,000	
Commission		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
	1,390,000	1,390,000

Additional information

i) Closing stock Kshs. 50,000
ii) Carriage outwards Kshs. 8,000

Required:-

Prepare:-

i) Trading, profit and loss account for the period ended 31/12/2017
ii) Balance sheet as at 31/12/2017

6. (a) Explain **five** factors that may lead to an increase in the level of National income. (10 marks)

(b) The table below represents supply schedule of maize flour to Bondo town

Year	**Quantity of maize flour (kg)**
2016	6000
2017	7800
2018	10,000
2019	12,500
2020	15,000

Assuming the price remains constant, explain **five** possible reasons for the trend in the supply of maize flour. (10 marks)

MOI GIRLS-ELDORET

PAPER 1

1. State four reasons for the existence of businesses in the society. 4 marks
2. State four positive implications of a large population in a country (4marks)
3. State **four** features of a chain store (4mks)
4. Outline four measures that can be taken by an officer to safeguard organization's property.
5. State four reasons why SACCOs are popular in Kenya. 4 marks
6. Outline four causes of business success. 4 marks
7. Identify four factors that influence the level of capital of a business enterprise. 4marks
8. Outline four circumstances under which a trader would use informative advertising. 4 marks
9. State four complaints that a consumer organization may receive from consumers. 4 marks
10. Indicate the source document and the book of original entry in which each of the following transactions should be recorded

No	**Transactions**	**Source document**	**Book of original entry**
a)	Purchase of goods on credit		
b)	Payment of cash to a creditor		
c)	Sale of goods on credit		
d)	Sale of fixed asset for cash		

11. List four means of audio-visual communication that may be used in an organization. 4 marks
12. State four ways in which demographic environment may positively affects the business operations. 4marks
13. Outline **four** features of a monopolistic market (4 marks)
14. Highlight four benefits of the matatu reforms in Kenya. 4 marks
15. State the effects of the following transactions on the balance sheet totals. (4 mks)
    (a) Bought a piece of land Ksh. 500,000 in cash ……..
    (b) Paid a creditor through a cheque Kshs. 50,000 …….
    (c) Sold a personal car Ksh. 300,000 and deposited the amount in the business bank account.
    (d) Took Kshs. 10,000 to pay for his son's school fees ……
16. State four merits of warehousing to a retailer. 4 marks
17. State four factors that a trader may consider before selling goods on credit. 4 marks
18. State the term that best fit each of the following description. (4 Marks)

(a) Money brought into the business by owner _____
(b) Goods bought for resale _____
(c) Money withdrawn by owner of business for personal use _____
(d) Money borrowed from outsiders by owner of the business for business use

19. Highlight **four** challenges faced by consumers in the satisfaction of human wants (4mks)
20. Ouma enterprise started business one year ago with an investment of Ksh 1200 000. At the end of the year his capital was Ksh 1600000 and his monthly drawing was ksh 20000,
    Calculate his profit for the year (4marks)
21. The following cashbook was prepared by Jomo Traders for the month of July 2016.

Dr **Jomo traders' Cash book** **cr**

Date	Details	Lf	cash	Bank	Date	Details	LF	cash	Bank

2016					**2016**				
July 2	Balance	b/d	**Y**		July 4	Balance	b/f		60,000
July 8	Sales		20,000		July 13	Purchases			0
July 18	Akinyi			50,000	July 21	Rent		6,000	30,000
July 25	Sales			120,000	July 27	Balance	c/d	P	0
				170,000				60,000	
									Q
									R

Calculate the missing figures. (4mks)

Y =

P=

Q=

R=

22. Outline **four** reasons why a firm may remain small. (4 Marks)
23. Outline **four** features of a money (4 marks)
24. State the term given to each of the following statements as used in insurance. 4 marks
a) Transfer of an insurance policy to another person. _____

b) Temporary policy document _____

c) Act of designation of people to be beneficiaries. _____

d) Regular payments by a policy holder _____

25. Give **four** ways through which prices of goods and services may be determined. (4mks)

PAPER 2

1. a) Outline five circumstance under which a producer may use a direct channel in distributing her goods (10Mks)

   b) Explain five benefits that a customer may enjoy for shopping in a hypermarket (10Mks)

2. a) Highlight five factors which an entrepreneur should consider when evaluating a viable business opportunity (10Mks)

   b) On 1st April 2020:Rolan Co. Ltd. had a balance of shs. 100,000 in hand and shs. 250,000 at bank. During the month, the following transaction took place;

   April . 1 Cash sales Shs. 25,000, cash purchase Shs. 17,500

   April. 3 Paid the following accounts by cheque.

   Kiprob Shs. 15,000 less 5% cash discount

   Kirui Shs. 20,000 less 5% cash discount

   Bett shs. 21,000 less 3 % cash discount

   April. 5 Received the following amounts from debtors,

Sang shs. 8,000, Jane shs. 4,500 and Korir by cheque shs. 12,000 after allowing him shs. 300 cash discount.

April. 14 Paid office cash to the bank shs. 2000

April. 17 Cash sales 8500

April 20 Sold goods on credit worth shs 10000 to Kimani

April. 22 Korir paid his account of shs. 5000 by cheque less 10% cash discount

April. 28 Paid salary cash shs. 8000

April 29 A cheque received from Korir on Nov. 5th was dishonoured.

April. 30 Deposited all the money in to the bank except shs. 5,000

Prepare Rolan Co. Ltd. three column cash book. (10Mks)

3. a) Explain five differences between public corporation and a private limited company.(10Mks)

   b) Describe five factors which may encourage localization of firms. (10Mks)

4. a) Explain five benefits of adopting the use of an open office layout. (10Mks)

   b) With the aid of a well labeled diagram, explain the effects on the equilibrium of an increase in the supply of carrots while the demand remains constant. (10Mks)

5. a) Explain five negative effects of rapid population growth. (10Mks)

   b) Explain five factors that determine the premiums to be charged in life assurance policy insurance. (10Mks)

6. a) Explain four external factors that would contribute to success of a business enterprise.(8Mks)

b) The following trial balance was extracted from the books of Bondeni Traders on 31st Dec 2020.

Bondeni Traders

Trial Balance

As at 31st/Dec/2020

Particulars	Dr	Cr
Sales/Purchases	340,000	720,000
Returns	20,000	18,000
Rent	16,000	
Advertising	24,000	

Commission		9,000
Salaries	15,000	
Debtors & Creditors	54,000	64,000
Stock 1/1/2020	60,000	
Insurance	30,000	
Drawings	40,000	
Furniture & Fittings	100,000	
Cash in hand	15,000	
Premises	400,000	
Capital		279,000
	1,090,000	**1,090,000**

Additional information.

i. Stock as at 31st Dec, 2020 was sh. 28,000

Required :

a) Prepare a trading, profit and loss account for the year ended 31stDec, 2020.

b) Balance sheet as at that date. (12Mks)

PANGANI GIRLS

Paper 1

1. State four benefits of learning business studies to a Kenyan student (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……
2. Highlight **four** measures a business may take to ensure that its environment is conducive to its business activities (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……
3. State **four** factors to consider when evaluating a viable business opportunity (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……
4. Most organizations have come up with customer care desks. outline **three** functions that they play . (3mks)
   i. ……
   ii. ……
   iii. ……
   v. ……
5. Identify the documents that each of the following descriptions refer to (4mks)

Description		Document
i.	Used to inform buyer that seller has received the order	
ii.	Used to ask about the availability of goods.	
iii.	Used to organize for transportation of goods between seller and buyer	
iv.	Used to show goods sold on credit	

6. State four factors affecting the circular flow of income (4mks
   i. ……
   ii. ……
   iii. ……
   iv. ……
7. The following balances were extracted from the books of WINNICO Limited on 31st December 2020.

Item	Ksh.
Capital	150,000
Furniture	110,000

Purchases	285,000
Hawi (supplier)	180,000
Sales	230,000
Wages paid	41,000
Return inwards	5,000
Return outwards	15,000
Cash	139,000
Rent received	5,000

Prepare the trial balance of the business as of 31st December 2020 (5mks)

8. The information given below relates to Jomo Traders for the year ended 31stAugust 2021

Rate of stock turn over 3 times
Mark -up 20%
Opening stock ksh. 90,000
Closing stock ksh. 150,000
Required

i. Gross profit (2mks)

……
……

ii. Sales (2mks)

……
……

9. Highlight four features of services . (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……
10. State **four** causes of seasonal unemployment in Kenya (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……
11. Highlight **four** circumstances under which the capital of a business may change (4mks)
   i. ……
   ii. ……
   iii. ……
   iv. ……

12. On 1 January 2006, Romano Traders started sh. 180,000 in cash and sh. 170,000 at bank. During the month, the following transactions took place:

2006
January 10 paid ABM Traders sh. 25,000 by cheque less sh. 1000 cash discount
16 sold goods for sh. 14,000 cash.
31 Banked all the cash except sh. 5,200

Enter the above transactions in the relevant cash book and balance it off. (4mks)

……
……
……
……
……

13. List **four** clauses of memorandum of association for joint stock companies (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
14. State **four** causes of demand- pull inflation (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
15. State **four** activities carried out in the process of distribution (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
16. Outline **four** structural changes that may take place when a country is experiencing economic development (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
17. State **four** reasons why it is suitable to locate a bonded warehouse at the point of entry of a country (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
18. Highlight **four** reasons why business still use radios to promote their products despite other highly advanced media (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……
19. State **four** factors that may lead to an increase in market supply of a product (4mks)
    i. ……
    ii. ……
    iii. ……
    iv. ……

20. State reward of each factor of production (4mks)
    i. ……

21. Highlight **four** methods used by a monopolistic firm to differentiate its products (4mks)
22. Juma wholesalers owned a motor vehicle at ksh. 2,000,000 which they comprehensively insured for ksh. 1,600,000. The vehicle was involved in an accident and written off. determine the amount of money Juma wholesalers should expect to get from their insurer
23. State four ways in which the government is involved in business activities. (4marks)
24. State **four** ways in which the nature of goods would influence the choice of transport (4mks)
25. State **four** advantages of locating a firm near the source of raw materials (4mks)
    i. ……

PAPER 2

1. (a) Explain **five** measures that Kenya may take to control unemployment problem (10 marks)

(b) Highlight **five** differences between direct tax and indirect tax . (10 marks)

2. (a) Explain the meaning and significance in each of the following terms as used in foreign trade.

(10 marks)

i. Terms of trade.

ii. Balance of payment.

iii. Exchange rate.

iv. Balance trade.

v. Common market.

(b)Explain **five** functions of the national budget as a tool of planning. (10 marks)

3. (a)Discuss five factors that have led to survival of small-scale retailers despite competition from Supermarkets. (10 marks)

(b)The following balances were extracted from the books of Mutei traders on 31st December ,2017.

	Shs
Gross profit	800,000
General expenses	180,000
Buildings	1,250,000
Equipment	380,000
Capital	1,400,000
Furniture	117,000
Insurance	48,000
Stock	25,000
Commission income	125,800
Discount allowed	55,000

Discount received	56,200
Bank Overdraft	79,000
Salaries and wages	320,000
Creditors	90,000
Carriage outwards	60,000
Debtors	65,500
Carriage inwards	34,500
Cash	51,000

Prepare:

a). Profit and loss account tfor the period ended 31st December 2017.

b). Balance sheet as at 31stDecember,2017. (10marks)

(a) Highlight five benefits accruing to a seller who uses the personal selling method to promote her products. (10marks)

(b)The following transactions relate to Furaha traders for the month of July,2008

July 1 : Balance brought down cash sh.16,250 and Bank Shs.19,847

July2 : Sold goods worth Shs.1,348 to Patel and received a calculator in exchange

July 5 : Paid transport by cheque Shs.2,000

July 6 : Issued a cheque to Kerio Traders setting an invoice for Shs.10,000 deducting 2% cash discount

July 10: Transfer Shs.15 000 from cash till to bank

July 12: Sold goods for cash Shs.12,000 less 2% cash discount

July 13: Sold goods to Onyango on credit worth Shs.15, 000

July 14: The owner of the business withdrew Shs.3000 in cash to buy a present for his daughter

July 16 : Received a cheque from Kuria Shs.2,500 less 5 % cash discount

July 22 : Bought furniture from Babu Traders on credit worth Shs.16,500 and cash discount of 10% if payment is made within 2 weeks

July 24: Withdrew cash from bank for office use Shs8,000

July 26: The owner brought into the business Shs.9,000 cash

July 27: Issued a cheque to Babu Traders for amount due

July 28: Sold goods to Kuria worth Shs.5,000 for Shs.3,800 and received payment by cheque

July 30: Banked all cash and remained with Shs.100 in the cash till

Required; Prepare Furaha Traders three column cash book for the month of July 2008. (10 marks)

5. a) Explain **five** means of written communication. (10marks)

b) Explain **five** measures that are adopted by the government to protect consumers against exploitation. (10marks)

6 (a) Explain **five** characteristics of perfect competition market structure.(10marks)

(b) Commodity A and B are subtitute products. Using well label diagrams explain how increase in supply of commodity A would affect the equilibrium price and quantity demanded of commodity B. (10mks)

PAPER 1

1. Commerce is trade and aids to trade. List **four** aids to trade. (4 Mks)
   ……
   ……
   ……
   ……
   ……
   ……...
2. State **four** objectives of a business. (4 Mks)
   ……
   ……
   ……
   ……
   ……
   ……...
3. Resources are categorized broadly into economic and free resources. Identify any **four** free resources. (4 Mks)
   ……
   ……
   ……
   ……
   ……
   ……...
4. State **four** roles of an entrepreneur in production. (4 Mks)
   ……
   ……
   ……
   ……
   ……
   ……...
5. State **four** benefits of registering a company with the stock exchange market. (4 Mks)
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   ……
   ……

6. Highlight **four** ways in which consumers may protect themselves against exploitation by traders.(4 Mks)

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7.State **four** advantages of having a dry port or an inland container depot.(4 Mks)

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8. State **four** measures that the Kenyan government can take to solve unemployment problem. (4 Mks)

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

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10. The following information was extracted from the books of Turaga traders on 31st'Dec 2019.

	Shs.
Turn over	608,000
Purchases	580,000
Opening stock	160,000
Closing stock	200,000

Prepare Turaga traders trading account. (4 Mks)

11. State **four** objectives of product promotion. (2 Mks)

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12. Highlight **four** benefits of globalization to a business enterprise. (4 Mks)

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13. State **four** problems experienced by a trader who stores goods in a public warehouse.
(4 Mks)

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14. State **four** factors that determine the amount of money held for transaction motive.
(4 Mks)

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15. Outline **four** factors that may cause the supply curve to shift to the left(4 Mks)

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……

16. Rahisi traders had the following information in its books of account on 1st'Jan 2019.

		Kshs.
Machinery		500,000
Bank overdraft		38,000
Capital	620,000	
Debtors		38,000
Cash in hand	100,000	
Creditors		280,000
Stock		300,000

For the year ended 31st'2019, the following information was available;

i) Sold all the stock for Ksh. 330,000 and received the amount by cheque.

ii) Brought into the business cash from a private source Kshs.200,000.

Required;

Draw a balance sheet as at 31st' Dec 2019. (4 Mks)

17. Outline **four** factors that affect the circular flow of income. (4 Mks)

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……
……
……

18. Outline **four** features of monopoly. (4 Mks)

19. Given the following books of original entry, identify the source document used for each. (4 Mks)

Book of 0rinal entry	Source document
(a) Purchases journal	
(b) Cash book	
(c) Sales return book	
(d) Sales journal	

20. State **four** roles of the insurance industry in the Kenya's entrepreneurial development. (4 Mks)

21. State **four** levels of inflation. (4 Mks)

22. State **four** benefits enjoyed by a trader who does not sell on credit. (4 Mks)

23. Highlight **four** factors that may determine the amount of revenue to be collected through taxation. (4 Mks)

24. Outline **four** factors that hinder economic integration. (4 Mks)

25. State **four** benefits of preparing a development plan.

PAPER 2

1 (a) Outline **five** ways through which the government of Kenya encourages entrepreneurship in the country. (10 Marks)

(b)Explain **five** merits of direct taxes. (10 Marks)

2 (a) Outline **five** circumstances under which a public limited company may be dissolved. (10 Marks)

(b)Explain **five** methods in which the central bank of Kenya may use to reduce money circulation in the economy. (10 Marks)

3(a) Explain **five** factors to consider when choosing the means of communication to use. (10 Marks)

(b)Post the following transactions to the relevant ledger accounts and balance them off. (10 Marks)

1/1/2019 - Started a business with Sh 120,000 in cash.

6/1/2019- Bought goods worth Sh 10,000 from Shah Traders on credit.

8/1/2019 – Deposited Sh 100,000 into the business account.

10/1/2019 – Bought furniture worth Sh 80,000 paying by cheque.

16/1/2019 – Paid water bill Sh 10,000 in cash.

24/1/2019 – Took cash Sh 5,000 to pay school fee for his son.

4(a) Explain **five** external factors that would contribute to the success of a business enterprise (10 Marks)

(b)Explain **five** circumstances under which a producer may use a direct channel in distributing his goods. (10 Marks)

5(a) Explain **five** factors to consider before buying office equipment. (10 Marks)

(b)Explain **five** disadvantages that a developing country may suffer by liberalizing foreign trade. (10 Marks)

6(a) Explain **five** benefits of high population to a country. (10 Marks)

(b)The following information relates to Kilima traders for the year 2018

Turnover	sh 400,000
Mark-up	25%
Rate of stock turnover	5 times
Opening stock	sh 60,000
Expenses	sh 36,000

From the information given above, calculate

(a.) Margin (2Marks)

(b.) Gross profit (2Marks)

(c.) Cost of goods sold (2Marks)

(d.) Net profit (2Marks)

(e.) Closing stock (2Marks)

ALLIANCE BOYS HIGH SCHOOL

PAPER 1

1. State four reasons why a consumer should satisfy basic wants before secondary wants(4mks)
   i)……
   ii)……
   iii)……
   iv)……....
2. Outline four documents required by the registrar of companies to facilitate registration of limited liability companies(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……....
3. A lucrative business has been constantly releasing toxic wastes into the neighbourhood.Outline four measures you can take to stop the firm from such malpractices(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……...
4. Highlight four reasons that may make insurance firms to decline to insure acts of nature(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……....
5. The cash account below was extracted from Anestar traders during the month of March 2021.

   ANESTAR TRADERS
   CASH A/C

   DR CR

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
March 2	Capital	3000	March 3	Purchases	2000
March 4	Sales	1500	March 6	Wages	3000

   State the possible transactions that could have given rise to the entries above
   i. March 2nd……...(1mk)
   ii. March 3rd……(1mk)
   iii. March 4th……(1mk)
   iv. March 6th……(1mk)
6. The government has raised the retirement age of civil servants from 55years to 60years.Highlight four effects of such a move(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……....
7. Outline four circumstances under which business resources maybe viewed as a weakness to a firm(4mks)
   i) ……

ii) ……
iii) ……
iv) ……...

8. Outline any four factors that may make firms communicate in writing to their staff(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……...
9. Highlight four factors that may determine the amount of revenue tobe collected through taxation(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……....
10. Outline four roles played by Nairobi securities exchange in the Kenyan economy(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……..
11. Highlight any four limitations of using after a sale service as a method of promoting products(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……...
12. For each of the following transactions, indicate the book of original entry in which the transaction would be recorded(4mks)

	transaction	Book of original entry
a)	Bought office equipments on credit	
b)	Received cash 30000 from Joel	
c)	Sold goods on credit to Mokua	
d)	Returned goods previously bought on credit to owalo traders	

13. Highlight four measures that a country like Kenya may take to correct unfavorable balance of payments(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……...
14. Outline four circumstances under which consumer associations may find it difficult to protect consumers against exploitation.(4mks)
   i) ……
   ii) ……
   iii) ……
   iv) ……....
15. The following balance sheet relates to Uzuri traders

UZURI TRADERS

Balance Sheet

As at 31st May 2015

sh. Sh.			Capital and Liabilities		
Fixed Assets			Capital		2,172,000
Land	1,800,000		Long term liabilities		
Motor vehicle	1,000,000		Loan from KCB	400,000	
Furniture	30,000	2,830,000	Loan from K.I.E	300,000	700,000
Current assets			Short term liabilities		
Stock	80,000		Creditors	100,000	
Debtors	50,000		Salary owing	40,000	140,000
Cash at bank	32,000				
Cash in hand	20,000	182,000			
		3,012,000			3,012,000
		======			=======

Required:

Calculate (i) Capital owned (1 mark)

(ii) Borrowed capital (1 mark)

(iii) Working capital (1 mark)

(iv) Capital employed (1 mark)

16. The table shows the show the quantity demanded for commodity Y per month by consumers A and B

Price per unit(sh)	Quantity demanded by A	Quantity demanded by B
10	100	300
8	200	400
5	300	500
3	400	700

State **four** reasons why B demands more of commodity Y at every price than A (4mks)

i)……

ii)……

iii)……

iv)……...

17. State the term given to each of the following descriptions(4mks)

a. Document used to demand payment before goods are delivered**…….**

b. Document sent by the seller to the buyer to inform him/her that goods ordered have been dispatched **……..**
c. A document supporting a credit sale**……**
d. Document sent by the seller to the buyer when goods are returned**……**

18. Highlight four reasons why national income obtained using output approach may not give correct position of a country's standards of living(4mks)

i)……

ii)……

iii)……

iv)……....

19. State the factor of production that each of the following resources relateto (5mks)

	resource	Factor of production
a)	manager	
b)	quarry	
c)	vehicle	
d)	water	
e)	owner	

20. Give the term that best fit the following description(4mks)

a) Money brought into the business by the owner**……**

b) Goodsbought for resale **…….**

c) Moneywithdrawn by owner of business for personal use**……..**

d) Money borrowed from outsider**s…….**

21. Outline **four**feature that characterize land as an economic resource(4mks)

22. The following information relates to BIDII wholesalers on 30/6/1999.

Closing stock	55,000
Opening stock	62,000
Sales	200,000
Mark up	25%

Draw BIDII's trading account. (4 marks)

23. Identify four channels for distributing locally produced goods (4mks)

24. Outline**four**characteristics of under developed countries (4mks)

25. Outline three reasons why the government issue license to drivers. (3mks)

PAPER 2

1a) 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)

2.a) DrKorir a surgeon opened up a clinic in his rural home of Chepalungu. The business closed after six months. Explain five reasons for the business failure.

b) Uhuru Highway Ltd started business on 1st May 2018 with Shs. 250,000 consisting of:

Cash at bank Shs.200,000,
Cash in Hand Shs. 30,000
Furniture Shs. 20,000

The following transactions took place during the month of May.
3rd May 2014, Motor Van worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit
6th May 2014, more stock worth shs.10,000 was bought by cash
9th May 2014, withdrew money from bank sh 50,000 for office use
15th May 2014, Sold stock at cost to a customer on credit for shs. 18,500
19th May 2014, received a cheque for the full settlement of a debt owed from the transaction of 15th may 2014
23rd May 2014, paid Shs. 65,000 by cheque for the motor van bought earlier on credit
31st May 2014, paid Shs. 20,000 cash for the stock bought on credit

Required:
Prepare the balance sheet of Uhuru Highway Ltd as at 31st May 2019. (10marks)

3a) Explain five measures that Kenya Government should adopt to solve the widespread cases of unemployment. (10mks)

(b) Give four differences between a private limited company and a public corporation.(10mks)

4 a) Explain **FIVE** Money transfer facilities provided by Commercial Banks (10 s)

b) On 1st May 2010 Musa Traders had sh. 15, 000 cash in hand and Sh. 160, 450 at bank. During the month, the following transactions took place.

May 2	Bought goods for Sh. 5, 400 and paid by cheque.
May 8	Received sh. 7, 200 cash from a debtor
May 15	Paid a creditor Sh. 18, 300 by cheque
May 16	Paid salaries sh 4, 200 in cash
May 18	Sold goods for sh. 9, 200 and was paid by cheque
May 20	Withdrew sh. 30, 000 from bank for office use
May 25	Received sh.8, 000 cash from a debtor

May 28 Paid general expenses sh. 4, 000 cash.

May 29 Deposited sh.10, 000 cash in bank

May 30 Paid for electricity sh. 2, 500 by cheque

Record the above transactions in a two column cash book and balance it off. (10 **Marks**)

5 a) Outline **FIVE** causes of Balance of payments disequilibrium (10 mks)

b) Describe **FIVE** channels of distribution that may be followed by imported manufactured goods (10 mks)

6 a) Explain five functions of the stock exchange market. (10mks)

b) VP Shah shop sells all its goods at a margin of 20%. For the year ended 30th April 2006, the trading activities were as follows.

Purchases	sh.	80,000
Sales	sh.	950,000
Net profit	5% of sales	
Closing stock	sh.	200,000

Calculate

a) The gross profit

b) The opening stock

c) Mark up percentage

d) The net profit.

ALLIANCE GIRLS HIGH SCHOOL

PAPER 1

1. Identify four importance of learning business studies to an individual. (4 Marks)
   a) ……
   b) ……
   c) ……
   d) ……
2. Identify four factors that influence entrepreneurial practices in Kenya. (4 Marks)
   a) ……
   b) ……
   c) ……
   d) ……
3. Identify four ways in which an office is important to a business. (4 Marks)
   a) ……
   b) ……
   c) ……
   d) ……
4. Outline four ways in which a well laid out business structure is likely to lead to success of the business. (4 Marks)
   a) ……
   b) …… ……
   c) ……
   d) ……
5. Highlight four forms of economic integration (4 Marks)
   i) ……
   ii) ……
   iii) ……
   iv) ……
6. Outline the importance of trade to a country. (4 Marks)
   a) ……
   b) ……
   c) ……
   d) ……
7. The quantity demanded and supplied of a certain commodity can be expressed as $Q_d=50+16p$ and $Q_S= 20+20p$ respectively.
   Find

   Equilibrium price (2 Marks)

……
……
……

. Equilibrium quantity (2 Marks)

……
……
……

8. Highlight four disadvantages of direct production. (4 Marks)
   a) ……

b) ……
c) ……
d) ……

9. List four circumstances under which the location of a warehouse can be inappropriate. (4 Marks)

a) ……
b) ……
c) ……
d) ……

10. State four circumstances that will make the standard gauge railway more desirable than road. (4 Marks)

a) ……
b) ……
c) ……
d) ……

11. Outline four characteristics of sole proprietorship form of business (4 Marks)

a) ……..
b) ……..
c) ……..
d) ……..

12. A business had the following record for the year ended 31st December 2018 (4 Marks)

	sh.
Capital as at 31/12/18	64,000
Net profit for the year	14,000
Capital as at 1st Jan 2018	42,000
Monthly drawings	1,500

Calculate the additional investments made during the year

……
……
……
……

13. Give four limitations of consumer initiated methods in consumer protection. (4 Marks)

a) ……
b) ……
c) ……
d) ……

14. In the table below, indicate the type of advertising which fits the description. (4 Marks)

Description	Type
a) Create awareness about a product	……
b) Promotes the name of the manufacturer	……
c) Persuades a particular brand of a product	…….
d) Promotes a particular brand of a product	…….

15. Highlight four factors to be considered by a business when choosing a means of communication (4 Marks)

i) ……
ii) ……
iii) ……
iv) ……

16. State the meaning of the following terms as used in insurance (4 Marks)

Indemnity

……
……
……

Third party motor vehicle insurance

……
……
……

Contribution.

……
……
……

Subrogation

……
……
……

17. State 4 features of a monopolistic market that differentiates it from a monopoly market (4 Marks)

i) ……
ii) ……
iii) ……
iv) ……

18. Open relevant ledger accounts using the following information. (4 Marks)

1/2/2011 started business with sh. 10,000 in cash and sh. 50,000 at bank.
2/2/2011 Bought goods on credit from LK traders worth sh.5000
4/2/2011 Withdrew sh. 2000 from bank for office use.

19. Outline four principles that guide a government in spending public finance (4 Marks)
20. State four negative implications of ageing population in a country (4 Marks)
21. Identify four factors that may cause demand- pull inflation to occur in a country (4 Marks)
22. Identify the book of original entry associated with the following source documents given below. (4 Marks)

Source documents	Book of original entry
i. Invoice received	
ii. Credit note received	
iii. Receipt issued	
iv. Credit note issued	

23. The following information relates to Mumbua traders for the year ended 31st April 2020.

	Shs.
Cash at bank	30,000
Cash in hand	40,000
Current liability	500,000
Sales	920,000
Opening stock	150,000
Closing stock	230,000
Margin 25%	

Expenses 15% of sales

Determine

i) Gross profit (1Mark)

ii) cost of sales (1Mark)

iii) Purchases for the year (1Mark)

iv) Net profit (1Mark)

24. State any four money transfer facilities offered by commercial banks (4 Marks)
25. State four problems encountered at the plan implementation stage in economic planning and development (4 Marks)

PAPER 2

1.a) Explain **Five** features that are common to under-developed countries. (10marks)

b) Outline **Five** differences between public limited companies and private limited companies. (10marks)

2.a) Explain **Five** methods that the central Bank of Kenya can use to increase the amount of money in circulation. (10marks)

b) Explain **Five** factors that would determine the size of a firm (10marks)

3.a) Explain **Five** benefits of insurance to the Kenyan economy. (10marks)

b) The following balances were extracted from the books of Kassu Traders on 1st January 2018.

ITEMS	**KSH**
MOTOR VAN	200,000
MACHINERY	200,000
DEBTORS	60,000
STOCK	80,000
CASH	240,000
CAPITAL	210,000
CREDITORS	180,000
2YEARS LOAN	390,000

The following transcations took place during the period ended 31st January, 2018.

i) Sold machinery worth Ksh 60,000 for Ksh 100,000 and received the whole amount in cash.
ii) Cash of Ksh 10,000 was taken from the business to pay the son's school fees.
iii) Purchased goods worth Ksh 80,000 and paid Ksh 50,000 in cash the balance was still outstanding at the end of the month.
iv) Opened a business bank account and deposited Ksh 50,000 from the cash box.

Required:

Draw Kassu Traders balance sheet as at 31st January, 2018. (10marks)

4.a) Explain **Five** circumstances under which cash with order(C.W.O) would be preferred by a retailer. (10marks)

b) Describe **Five** channels of distribution that a Kenyan farmer would use to ensure his flowers reach consumers abroad. (10marks)

5.a) Highlight **Five** benefits of an efficient transport system to the Kenyan economy. (10marks)

b) County X, has been experiencing low levels of national income. Explain **Five** possible causes of the situation. (10marks)

6.a) Outline **Four** problems associated with specialisation and division of labour to the workers. (8marks)

b) The following information relates to Viola Traders for the Month of May 2010.

May 1. Started busines with cash Ksh 180,000 and a bank overdraft of Ksh 450,000.

3. Received a cheque of Ksh 1,500,000 from Maina a debtor.

7. Cash sales Ksh 280,000

10. Jared, a creditor was paid his account of Ksh 600,000 by cheque of Ksh 400,000 and the balance by cash.

14. Received commission in Cash Ksh 150,000

16. A debtor, Abdul, paid his account of Ksh 185,000 by cheque less 2% cash discount.

17. Paid for the rent expenses Ksh 10,000

18. Juma bought goods on credit worth Ksh 10,000

21. Withdrew Ksh 100,000 from the bank to pay hospital bill.

24. Paid cash Ksh 133,280 to Kanai after deducting 2% cash discount.

25. Juma paid in cash the value for goods bought on credit.

26. The owner introduced cash Ksh 10,000 into the business from private sources.

27. Paid salaries Ksh 120,000 by cheque.

28. Withdrew Ksh 30,000 from the bank for office use.

29. Banked all cash except Ksh 50,000

Required:

Prepare a three column cash book dully balanced (12marks).

NAIROBI SCHOOL

PAPER 1

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

i).....

ii).....

iii).....

iv).....

2. 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	

3. Outline ***four*** types of open trade credit (4 marks)

i).....

ii).....

iii).....

iv).....

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

i).....

ii).....

iii).....

iv).....

5. Highlight ***four*** features of oligopoly market. (4 marks)

i).....

ii).....

iii).....

iv).....

6. 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)

7. Highlight ***four*** features of non-bank financial institutions. (4 marks)

i).....

ii).....

iii).....

iv).....

8. Highlight ***four*** methods used to restrict trade with other countries (4 marks)

i).....

ii).....

iii).....

iv).....

9. Describe the type of unemployment identified below (4 marks)

a) Frictional

b) Structural

c) Involuntary

d) Residual

10. State ***four*** ways in which the external business environment may negatively influence the operations of the business (4marks)

i).....

ii).....

iii).....

iv).....

11. Highlight ***four*** importance of ethical practices in the running of a business activity. (4marks)

i).....

ii).....

iii).....

iv).....

12. Highlight ***four*** circumstances under which a public corporation could be dissolved. (4marks)

i).....

13. Record the following transactions in the relevant books of original entry. (4marks)

2020

April 1: Received an invoice from K.T suppliers for sh 40,000, Ochokitraders sh8000.

April 2: Received a credit note from K.T suppliers sh 1000, Ochoki traders sh 1500.

April 4: Received an invoice from Kiptui Enterprise sh 36,000,K.T suppliers sh 15,000.

April 6. Received a credit note from Kiptui Enterprise Sh. 3,500, K.T suppliers Sh. 4,000

14. Identify ***four*** types of direct taxes. (4marks)

i).....

ii).....

iii).....

iv).....

15. Alvin took an insurance policy against fire with an insurance company. Give ***four*** reasons why he was unable to get compensation when he made a claim later during the year. (4marks)

i).....

ii).....

iii).....

iv).....

16. Highlight ***four*** factors that may be considered when choosing the channel of distribution of bread to schools in Kenya (4marks)

i).....

ii).....

iii).....

iv).....

17. Give the meaning of the following terms as used in Book-keeping. (4marks)

a) Goods

b) Liabilities

c) Creditors

d) Capital

18. State ***four*** features of economic resources. (4 marks)

i).....

ii).....

iii).....

19. Highlight ***four*** prescribed code of behavior of an office staff. (4 marks)

20. The table below show the demand of furniture in Kimumu market for the year 2019.

Month	Quantity demanded
March	1000
April	800
May	700
June	600
July	500
August	300
September	250

State ***four*** causes of the above trend. (4 marks)

21. Outline ***four*** Fiscal policy measures that may be used to control inflation. (4 marks)

22. Highlight ***four*** problems encountered when measuring national income using income approach. (4 marks)

23. State whether each of the following transactions increase (+) decrease (-) or have no effect (NE) on asset, liabilities, capital and the balance sheet totals.

	Transaction	Effects on			
		Assets	Liabilities	Capital	Balance sheet totals
(a)	Received cash from a debtor				
(b)	The proprietor deposited extra cash into business bank account from personal sources				
(c)	Paid a creditor by cheque				
(d)	Bought office equipment in cash				

24. Outline ***four*** importance of transport in the facilitation of trade. (4 marks)

25. The information relates to Soila 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)

PAPER: 1

1 State four service offered by a commercial bank to its customer **(4mks)**

(a)_____

(b)_____

(c)_____

(d)_____

2 Outline four goals of development to a country **(4mks)**

(a)_____

(b)_____

(c)_____

(d)_____

3 List four sources of public finances **(4mks)**

(a)_____

(b)_____--

(c)_____

(d)_____

4 Name the basic concepts in population described in the statements given below **(4mks)**

(a) Population size that is adequate for the pull utilization of available resources in a country _____

(b) The average number of births per one boy and woman in a gear_____

(c) When a country is experiencing higher death rates than birth rates_____

(d) Were a bigger proportion of the population is comprised of people who are above 55 years old_____

5 State four benefit of a bonded warehouse to the government **(4mks)**

(a)_____

(b)_____

(c)_____

(d)_____

6 Highlight four benefit of personnel selling to a trade (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

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

(a)_____

(b)_____

(c)_____

(d)_____

8 Outline four measures that a country can take to reduce the level of inflation (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

9 Outline four characteristics of an efficient tax system. (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

10 State the meaning of the following form of sales as used in international trade (4mks)

(i) L O C O_____
(ii) C I F_____
(iii) F A S _____
(iv) F O Q _____

11 The following information was extracted from the books of Leila Traders on 31st July 2016

Details	Sh
Capital	90,000
Fixed Assets	80,000
Cash in hand	20,000
Current liabilities	20,000
Stock	20,000
Net profit	15,000
Drawings	5,000

(a) Capital owned (2mks)
(b) Acid test ratio (2mks)

12 Highlight four circumstances under which a firm may be located near the source of raw materials(4mks)

(a)_____

(b)_____

13 Give four assumptions that are associated with perfect completion (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

14 The equation below relate to quantity demanded and quality supplied at the equilibrium point

Qde =4p + 50

Qse = 8p +30

Determine the equilibrium price and quantity (4mks)

15 Outline four features of liners in sea transport (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

16 List four characteristics of money (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

17 State four reasons why it may be necessary for a country to control imports (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

18 Outline four features of economic resources (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

19 State four methods used by government to control inflation (4mks)

(a)_____

(b)_____

(c)_____

(d)_____

20 Give four reasons why government levy taxes on their citizens (4mks)
(a)_____

(b)_____

(c)_____

(d)_____

21 Outline four benefits to a trader who operate a small retail outlet (4mks)

22 Give four uses of a three-column cash book. (4mks)

23 State four features of a good filing system (4mks)

24 State four advantages that a business gets by maintain a current bank account **(4mks)**

25 State four features of a chain store **(4mks)**

PAPER: 2

1(a) Explain five features of human want **(10mks)**

1(b)explain five principles that would lead to effective use of government resources **(10mks)**

2(a) Explain five reasons why an effective filing system is important in an office (**10mks)**

2(b) Explain five advantages of locating firms in different part of the country. **(10mks)**

3(a) Explain five elements of effective communication **(10mks)**

3(b) The trial balance of Zanayo Traders as at 1st June 2008 is given below

	DR	**CR**
Stock		76,500
Creditors		450,400
Debtors	350,000	
Bank		260,400
Fixed Assets	970,200	
Cash	120,500	
Capital		1,300,000
Lighting due		27,200
	1,777,600	**1,777,600**

During the month, the following transactions took place:

2008:

June 5 Paid a creditors sh 228,000 by cheque in full settlement of debt after deducting 5% Cash discount.

June 15 Withdraw sh 100,000 from bank for office use.

June 28 Received sh 160,000 cash from a debtor after allowing cash discount of sh 40,000.

Record the above transactions in the relevant ledger accounts and balance them out**(10mks)**

4(a) Explain five methods of determining the price of a product other than demand and supply **(10mks)**

4(b) Explain five factor that one may consider when selecting a means for communicating. **(10mks)**

5(a)Explain five circumstances under which a country may realise a surplus in balance of payment **(10mks)**

5(b) Explain five features of monopolistic competition. **(10mks)**

6(a) Explain five trends in office management **(10mks)**

6(b) The following Trial balance was prepared from the book of Mugambi Traders for the year ended 31st Dec 2005.

Mugambi Traders

Trial Balance

	Dr	**Cr**
Land and building	500,000	
Capital		940,000
Plant and machinery	200,000	
Motor vehicle	300,000	
10year bank loan		200,000
3 years ICDC loan		100,000
Stock	100,000	
Debtors	60,000	
Creditors		60,000
Accrued expenses		20,000
Cash at bank	100,000	
Cash at hand	20,000	
Drawings	40,000	
	1,320,000	**1,320,000**

Prepared

(i) A balance sheet for the year ended 31st December 2005.
(ii) Determine:
Working Capital
Capital Employed
Borrowed Capital

KENYA HIGH AND SUNSHINE JOINT

PAPER 1

1. Outline **four** importance of Business Studies in a society. (4mks)

2. State four factors that determine the period for which documents should be stored (4mks)

3. Highlight **four** reasons why a cheque may be dishonored (4mks)

4. People hold money for various reasons. Identify the motive for holding money in each of the following cases. (4mks)

(a) To meet medical expenses _____

(b) To pay for daily milk from their supplier _____

(c) To meet daily transport expenses _____

(d) To counteract future decreases in price _____

5. Outline ***four*** circumstances under which a credit note may be issued. (4mks)

6. You have been charged with a duty of preparing an article of Association for your company; state **four** items that you will include in your article of Association (4mks)

7. Describe **four** characteristics of debentures (4mks)

8. Outline **four** factors that may account for predominant direct production in a country (4mks)

9. State **four** ways in which a commercial attaches promotes trade. (4mks)

10. List **four** essential elements of a transport system (4mks)

11. Outline **four** ways of controlling demand pull inflation. (4mks)

12. List **four** mailing services that facilitate communication. (4 mks)

13. State any **four** uses of insurance funds. (4mks)

14. Give **four** reasons why protectionism policy in foreign trade may fail (4mks)

15. State **four** gaps that can be filled in the market through a business opportunity. (4mks)

16. Highlight **three** differences between a movement along a demand curve and a shift in a demand curve. (3 mks)

17. State **four** strategies that a small firm would adopt to expand its operations so as to enjoy Economies of scale (4mks)

18. State **four** sources of oligopoly power. (4mks)

19. State **four** ways in which households contributes to national income of a country. (4mks)

20. The following information shows the financial position of Mwalimu Traders as at 1st May, 2021.

Capital	130,000
Cash in hand	40,000
Rent owing	12,000
Furniture	110,000
Debtors	20,000
Stock	60,000
Trade creditors	38,000
Bank overdraft	50,000

Required: Prepare the trial balance for the business. (5mks)

21. State **four** errors that cannot be revealed by a trail balance. (4mks)

23. List down **four** transactions that are likely to be recorded in the general journal. (4mks)

24. Classify the following taxes as either direct or indirect. (4mks

- Corporation tax----------
- Value added tax ----------
- Income tax ----------
- Customs duty ----------

25. State **four** reasons why a member country should remain a member of Economic Union.

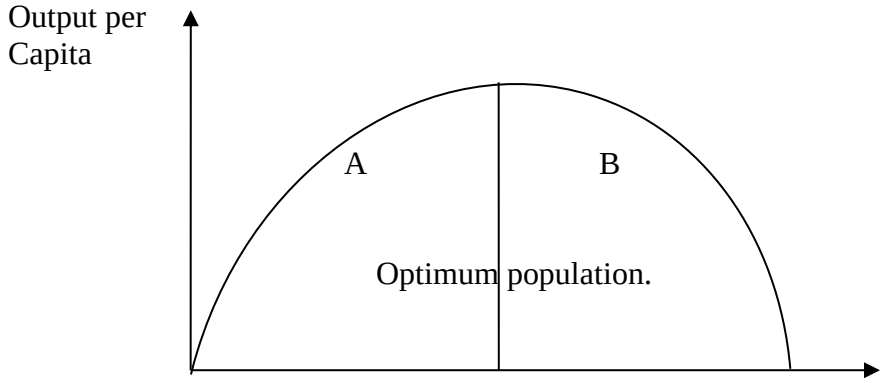
1. (a) Despite their poor performance, the government is still interested in operating public corporations in the country. Explain five reasons for this. (10 marks).
   (b) Explain five benefits realized by a country as result of government policy of relocating industries in different parts of the country. (10 marks).

2. (a) Highlight five benefits of business to society. (10 marks)
   (b) The following relates to Riss Retailers.

Sales	1, 155, 000
Purchases	930,000
Stock 1/1/2020	430,000
Carriage outwards	25,000
Carriage inwards	10,000
Returns outwards	20,000
Returns inwards	30,000
General expenses	100,000
Insurance	25,000
Stock 31/12/2020	470,000

   Calculate:
   (i) Turnover. (1 mark)
   (ii) Rate of stock turnover. (3marks)
   (iii) Mark up (2 marks)
   (iv) Margin (2 marks
   (v) Net profit. (2 marks)

3. (a) The figure below represents the population output per-capita of a certain country. Explain five benefits to the country if her total population is found at the part marked B. (10 marks)



(b) Explain five services that wholesalers may offer to retailers. (10 marks)

4. (a) Explain five differences between assurance and insurance. (10 marks)

(b) The following transactions relate to Furaha Traders for the month of July 2021.

July 1: Had the following balances cash in hand 180,000 and bank overdraft 57,500.
2: Sold goods worth 21,800 to Patel by cash.
5: A debtor settled his account of 90,000 by cheque less 2.5% cash discount. .
6: Paid salaries 40,000 in cash.
12: Took cash 3,500 to settle a personal debt.
23: Received a cheque of 8460 from Ngao wholesalers after deducting 10% cash discount.
24: Deposited 10,000 in the business bank account from his private sources.
26: Cash sales directly banked 38,000.
27: The cheque received on 5th from a debtor was dishonoured. The bank charged him 2500.
29: Settled creditors account 6000 by cheque less 3% cash discount.
31: Used all cash available to acquire furniture except 40,000.

Required:
Prepare duly balanced three column cash book for the month of July, 2021. (10 marks)

5. (a) Explain five clauses that must be specified in the Memorandum of Association of a public limited company. (10 marks)

(b) The following table shows the quantity of tomatoes supplied between the month of July and October 2020 in a certain market.

Month	July	August	September	October
Quantity supplied (in tonnes)	2.34	4.18	4.22	6.01

Explain what may have caused the above trend. (10 marks)

6. (a) Explain five challenges a business organization may experience by not preparing a business plan. (10 marks)

(b) Most African countries are experiencing slow economic development despite reporting higher economic growth. Explain five possible causes for this trend apart from corruption. (10 marks)

MANG'U SCHOOL

PAPER 1

1. State **four** features of capital as a factor of production. (4mks)

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2. Outline **four** reasons why choice is inevitable in the satisfaction of human wants. (4mks)

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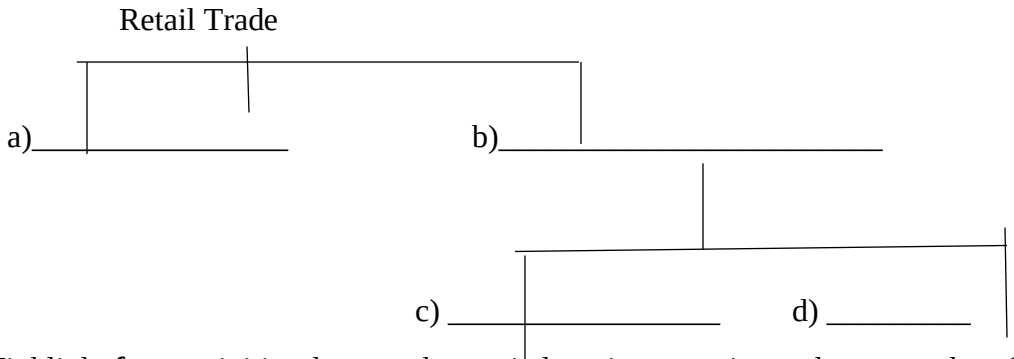
3. Highlight **four** reasons for which businesses should observe ethical practices. (4mks)

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4. Indicate the qualities of an office worker described by the following statements. (5mks)

	Description	Quality
i)	Ability to convince others in a meeting without hurting them.	
ii	Ability to create and implement ideas.	
iii	Maintaining the good name of the organization.	
iv	Performing duties with precision.	
v	Ability to consider all possibilities and come up with right decision.	

5. Fill in the missing gaps in the table below. (4mks)



6. Highlight **four** activities that may be carried out in a security exchange market. (4mks)

List **four** ways in which the government regulates business activities. (4mks)

7. Outline **four** ways in which the nature of goods would influence the choice of the means of transport. (4mks)

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8. State the line of communication involved in each of the following: (4mks)
   a) The manager of Safaricom Ltd talking to the manager of Airtel ltd.
      _____
   b) An accounts clerk asking for time off from the boss
      _____
   c) The sales manager giving instructions to the secretary of the finance manager_____
   d) The receptionist giving explanation to the production manager.

9. Highlight **four** circumstances under which a cheque may be used as a means of payment. (4mks)

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10. Give **four** features of a bonded warehouse. (4mks)

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11. Uwezo traders acquired a building valued at Sh. 1,200,000 on January 1st 2020. The building was insured with three insurance companies: Sanlam, Jubilee, and Britam for 250,000, 300,000 and 450,000 respectively. In May 2020, fire damaged the building, causing Uwezo traders to suffer a loss of 30% of the value of the building.
    Determine the contribution made by each company to compensate Uwezo traders for the loss. (4mks)

12. Using a diagram, show how the forces of demand and supply determine the market price of a commodity in the market. (4mks)

13. State **four** reasons why new industries tend to be attracted to well established towns. (4mks)

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14. State **Four** basic features of a market. (4mks)
15. Outline **four** ways in which households contribute to the national income of a country. (4mks)
16. Fill in the missing figures. (3mks)

Fixed Assets	Current Assets	Long term Liabilities	Short term Liabilities	Capital
500,000	330,000	**(a)**	120,000	510,000
(b)	400,000	135,000	20.000	600,000
150,000	20,000	240,000	100,000	**(c)**

17. Outline **four** factors that may account for a high population growth rate in Kenya. (4mks)

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18. Outline **four** qualities of money that enables it to facilitate the exchange of goods and services. (4mks)

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19. Njenga traders had the following assets and liabilities as at January 2014.

Machinery	350,000
Debtors	45,000
Stock	25,000
Cash	7,500
Creditors	48,000

Additional capital introduced during the year was 24,000. Drawings made during the year was 20,000. Net profit was 34,500.
Determine the capital as at 31st December 2014. (4mks)

20. Outline **four** merits of indirect taxes. (4mks)

21. The table below shows general price changes over a period of five years.

Year	Price (shs)	CPI
2010	90.00	
2011	100.80	
2012	103.50	
2013	105.30	
2014	108.00	

Using 2010 as the base year, determine the consumer price index for the years 2011, 2012, 2013, and 2014. (4mks)

22. Name **four** levels of economic integration. (4mks)
23. Outline **four** circumstances under which a manufacturer would use informative advertising. (4mks)
24. For each of the following transactions, indicate the account to be debited and account to be credited. (4mks)

Transaction	A/C DR	A/C CR
a) Started a business with cash money.		
b) Bought stock on credit from Watu traders.		
c) Used a personal computer to clear Watu trader's debt.		
d) Took stock from the business to pay the wife's hospital bill.		

PAPER 2

1. (a) Explain **five** circumstances that can cause a business to succeed in their activities. (10marks)

   (b) Explain **five** problems facing the savings and credit cooperative societies in Kenya. (10marks)

2. (a) A prudent tax system must meet certain essential qualities. Explain **five** indicators of a good tax system . (10marks)

   (b) Describe the procedure an insured must take when making an insurance claim. (10marks)

3. (a) Ondari intends to promote his products. Explain **five** factors that he must take into account when deciding on which method to use. (10marks)

   (b) Explain **five** weaknesses of using national income statistics as a measure of social welfare. (10marks)

4. (a) Explain **five** factors that justify the existence of small scale firms in an economy. (10marks)

   (b) Bartenge Enterprises started business on 1st May 2014 with Shs. 250,000 consisting of:

   Cash at bank Shs.200,000, Cash in Hand Shs. 30,000 and Furniture Shs. 20,000.
   The following transactions took place during the month of May.
   3rd May 2014, Motor Van worth Shs. 85,000 and stock of Shs. 25,000 were bought on credit
   6th May 2014, more stock worth shs.10,000 was bought by cash
   9th May 2014, withdrew money from bank sh 50,000 for office use
   15th May 2014, Sold stock at cost to a customer on credit for shs. 18,500
   19th May 2014, received a cheque for the full settlement of a debt owed from the transaction of 15th may 2014
   23rd May 2014, paid Shs. 65,000 by cheque for the motor van bought earlier on credit
   31st May 2014, paid Shs. 20,000 cash for the stock bought on credit

Required:

Prepare the balance sheet of Bartenge Holdings as at 31st May 2014. (10marks)

5. (a) Explain **five** problems that are faced by a country with a big population of ageing persons. (10marks)

(b) Explain **five** difference between banking and non-banking financial institutions . (10marks)

6. (a) Explain **four** reasons why upward communication should be encouraged in an organization. (8marks)

(b) The following trial balance was extracted from the books of Lule Traders on 30th April 2015

Lule Traders
Trial Balance
As at 30th April 2015

	Dr (Kshs.)	Cr (Kshs.)
Sales		186,000
Purchases	115,560	
Stock 1.5.2014	37,760	
Carriage outwards	3,260	
Carriage inwards	2,340	
Returns	4,400	3,550
Salaries	24,470	
Electricity	6,640	
Rent		5,760
Sundry expenses		12,020
Equipment		24,000
Furniture		6,000
Debtors		45,770
Creditors		30,450
Bank	38,760	
Cash	1,200	
Drawings	20,500	
Capital		128,440
	348.440	348,440

Stock as at 30.4. 2015 Shs. 49,980

Required:

a) Trading, profit and Loss account for the year ended 30th April 2015 (8marks)

b) Balance sheet as at 30th April 2015 (4marks)