

1. State the unit of carriage for each of the following modes of transport (4mks)
- | | |
|-------------------|------------------|
| Mode of transport | unit of carriage |
| Porterage | _____ |
| Cartage | _____ |
| Sea | _____ |
| Air | _____ |
2. Outline four elements of demographic environment that may influence the operation of a business. (4 marks)

3. State four reasons why consumers have to make choices between competing wants. (4marks)

4. In the spaces provided below, indicate the type of utility created by each of the following business activities

<u>Business activity</u>	<u>Type of utility</u>	(4marks)
Selling face masks to customers –		
Transporting onions-		
Storing onions in a granary-		
Making a camera-		

5. Outline four circumstances under which differed payment may be used (4marks)

6. State four advantages of transacting business through the internet. (4marks)

7. The following information relates to Mumbua traders for the year ended 31st April 2015.

	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) Purchase for the year
(1mark)

iv) Net profit
(1mark)

8 For each of the following transactions indicate the account to be debited and credited. 4 marks

Transaction	A/c debited	A/c credited
a) Received discount from Top Suppliers		
b) Allowed discount to Shujaa Traders		
c) Sold furniture to Owuor in cash		
d) Took stock worth sh.200 for personal use		

9. Identify four benefits of international trade to a country (4marks)

10. Alice a retailer had a capital balance of sh.160,000 as at 30th June 2016. During the year ended June 30th 2017, the business made a profit of 130,000. Alice the proprietor made drawings of 1500 each month for her personal use. Compute the business capital as at 30th June 2017 (3marks)

11. Highlight four reasons that would make an organization use cell phones for communication within and outside the organization. (4marks)

12. State four benefits of "pooling of risks" to insurance company. (4marks)

13. Outline four circumstances under which a firm may locate its operations near the source of raw materials. (4 marks)

14. Highlight four measures that the government can take to reduce mortality rate in the country. (4marks)

15. Many countries in Africa, Latin America and Asia are considered as under developed. Outline four characteristics underdeveloped countries have in common. (4marks)

16. State four ways of improving service delivery in parastatals and state corporation. (4marks)

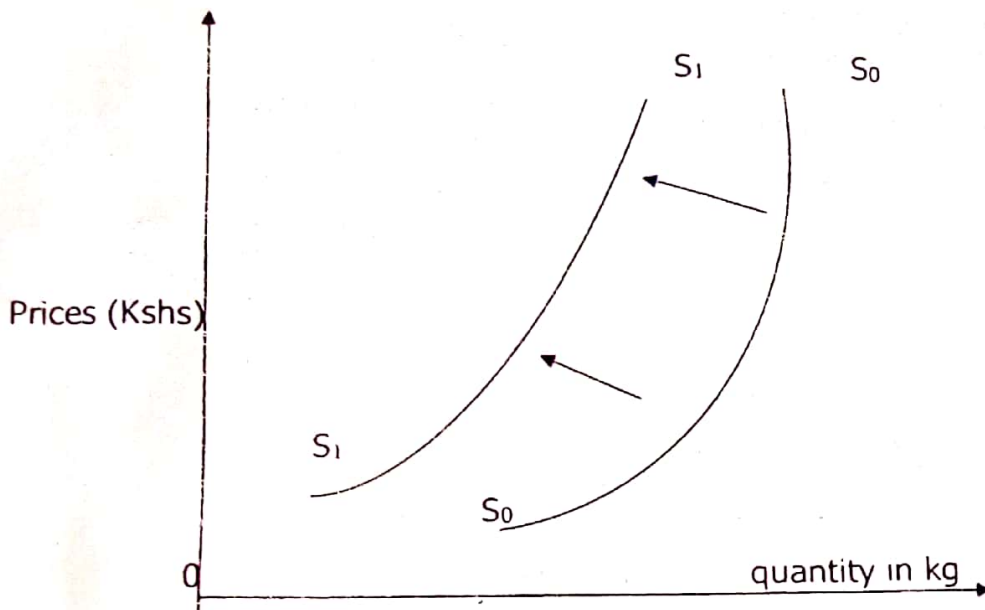
17. State four locations in a country where bonded warehouse are likely to be found. (4marks)

18. The following information was extracted from the books of Amani traders on 31st Dec 2010

Commission received	22,000
Sales	763,000
Loan interest	52,500
Purchases	474,000
General expenses	30,000
Drawings	96,000
Rent	120,000
Salaries owing	72,000
Electricity pre paid	85,000

Prepare Amani traders trial balance for the month ended 31st Dec 2010.(5 marks)

19. The diagram below shows a shift in supply curve from S_0S_0 to S_1S_1 .



State four factors that may account for the above shift.

(4marks).

20. Outline four contributions of the households to the national income of a country.
(4marks)

21. State four circumstances under which a customer would prefer to be paid by a banker's cheque.
(4 marks)

22. outline four benefits of becoming a member of a savings and credit cooperative society.(SACCO).
(4marks)

23 Highlight four methods used by a monopolistic firm to differentiate products.(4marks)

24.State four circumstances under which a business firm may use photocopying as a means of reproducing documents.
(4 marks)

25. Apart from government borrowing, outline four other sources of government revenue.
(4marks)