**BUSINESS STUDIES PP2**

**FORM THREE**

**3RD TERM 2013**

**2 ½ HRS**

**KENYA CERTIFICATE OF SECONDARY EDUCATION**

**BUSINESS STUDIES**

**FORM THREE**

**3RD TERM EXAMINATION 2013**

**PAPER 2**

**2HRS 30MINS.**

**Instructions**

* **Answer any FIVE questions**
* **All answers must be written in the answer booklet provided.**
* **All questions carry equal marks.**

1(a) Most developing countries are faced by unemployment. Explain five causes of unemployment in these countries (10mks)

b) Labour is mobile both occupationally and geographically, but several factors hinder the mobility. Explain five factors hindering labour mobility (10mks)

2(a) Explain five external economies of scale that an industry may get (10mks)

b) Kenya is endowed with natural resources. Explain five economic importance of these resources (10mks)

3(a) Explain five factors that should be considered when choosing means of transport (10mks)

b) Explain five ways in which the size of the firm can be determined (10mks)

4(a) A firm selling cosmetics plans to introduce new women’s product in the market. Give five limitations that may prevent any significant increase of sales of the product if they place an advertisement in a popular women’s magazine (10mks)

b) Explain five methods used to prepare goods for sale (10mks)

5(a) Explain five factors that determine the supply of the bread in a country (10mks)

b) Highlight five ways in which a business can uphold accepted ethics (10mks)

6(a) The following transactions were carried out by Mutheu in her store during the month of March 2012

March 1 Started a business with sh. 30,000 cash

 2 Bought goods worth sh. 5,000 in cash

 3 Bought furniture worth sh. 5,000 in cash

 10 Opened a bank account for the business by depositing sh. 10,000 from the cash box

 20 Sold goods worth sh. 10,000 and was paid by cheque

 30 Paid an electricity bill of sh. 2,000 in cash

 31 Received a cheque of sh. 10,000 from a tenant occupying part of the business premises

 31 Received a loan of sh. 10,000 from Kasyoka by cheque

 Required: prepare a two column cash book and balance it off

b) State five requirements of a warehouse (10mks)