NAME ……………………………………………………………. ADM …………………………………………..

GATITU MIXED SECONDARY SCHOOL

BUSINESS STUDIES FORM 3 CAT 2 2013 OUT OF 80

**SECTION A**

1. **Hi**ghlight four social responsibilities of a business to the government. 4mks
2. Highlight four advantages of enterpreneurship to the economy. 4mks
3. Highlight four benefits of automated vending machine (ATM) to customers 4mks
4. Give four factors that limit occupational mobility of labour 4mks
5. Highlight four factors that lead to dishonournament of a cheque 4mks
6. Highlight four differences between postal order and money order. 4mks
7. Highlight four reasons for government’s involvement in business activities. 4mks
8. Give four disadvantages of using offset lithography as a means of producing documents 4mks
9. Give four characteristics of perfect competition 4mks
10. Highlight four sources of monopoly power 4mks
11. Highlight four circumstances under which producer will sell directly without intermediaries. 4mks
12. Highlight four channels of distribution for Agricultural produce 4mks
13. Highlight four factors that influence level of national income in different country 4mks
14. Give four factors that may lead to high birth rate in a country. 4mks
15. Highlight four problems of overpopulation 4mks

**SECTION B**

1. **E**xplain the circular flow of national income in two sector modal. 10mks
2. The following account balances were extracted from books of KAMANJA TRADERS as at 31st December 2000.

Land -1,000,000

Buildings -2,000,000

Equipments – 1,500,000

Creditors -570,000

Net profit – 300,000

Outstanding expences -80,000

Capital -4,700,000

Cash -50,000

Bank -200,000

Debtors – 200,000

Stock - 200,000

Furniture – 500,000

**Prepare KAMANJA TRADERS balance sheet as at 31st December 2000. 10MKS**