**NAME……………………………………… ADM NO……………………….**

**GATITU MIXED SECONDARY SCHOOL**

**BUSINESS STUDIES FORM 3 MID TERM EXAM TERM 3 2014**

1. The following relates to business of Mwangi Enterprises at 30th June 2014.

Shs.

Bank overdraft 15,000

Cash in hand 4,000

Creditors 12,000

Stock 68,000

Loan from coop bank 26,000

Prepare balance sheet. 5mks

1. Draw the format of a ledger account with relevant columns and explain the use of each column. 10mks
2. On 1st Sept, 2014 Kimondo deposited kshs. 100,000 into business accounts demonstrate the two essential ledger entries expected in the ledger book. 10mks
3. Explain two solutions of unemployment in Kenya. 4mks
4. Give four consequences of declining population. 6mks
5. Name the three ways of measuring national incomes. 3mks
6. How do some two factors influence the choice of channel of distributing agricultural products? 5mks
7. List some four assumptions behind the theory of perfect competition. 4mks
8. Distinguish between localization and delocation of firms in an economic system. 6mks
9. By use of a diagram, illustrate excess supply and excess demand normally. 7mks