1. Highlight four reasons why a firm may decide to locate its site close to a well developed network

(4mks)

2. Outline four features of an oligopoly market (4mks)

3. Give four circumstances under which a partnership may be dissolved (4mks)

4. Highlight four ways through which consumers can protect themselves against

Exploitation by producers/sellers (4mks)

5. Give four advantages of human porterage as compared to other means of transport (4mks)

6. Outline four benefits that accrue to a trader who uses e-mail to communicate (4mks)

7. List four roles of intermediaries in the channel of distribution. (4mks)

8. Highlight four factors that determine the level of national income (4mks)

9. Give four disadvantages of hire purchase to the buyer (4mks)

10. Outline four negative effects of an ageing population to an economy (4mks)

11. State four factors to be considered by an insurance company when calculating amount of

Of premiums to be charged (4mks)

12. The following information relates to Bwire traders as at 30th June,2009 (4mks)

Cash 10,000

Bank overdraft 100,000

Creditors 40,000

Debtors 160,000

Premises 400,000

Furniture 100,000

Machinery 200,000

Capital 730,000

Prepare the balance sheet

13. Give four problems associated with the measurement of National Income using the output approach

(4mks)

14. Outline four disadvantages of an open plan office plan (4mks)

15. Mention four benefits of entrepreneurship to an individual (4mks)

16. The following trial balance of Katumbi was incorrectly prepared on 30th July 2013. Prepare the

Correct one

**CR DR**

Capital 99,600

Debtors 30,520

Creditors 25,670

Motor vehicle 80,000

Cash 12,250

Stock 2,500

140,020 110,520

17. Highlight four factors that may determine the quantity demanded of a commodity (4mks)

18. State four ways through which the government regulates business in a country (4mks)

19. Give reasons why a country may rely more on primary production (4mks)

20. The following statements describe losses covered under general accidents covers. Match each of the

Statement with its corresponding cover

|  |  |
| --- | --- |
| **loss** | **Cover** |
| a. Loss of cash on transit to a bank  b. An employee who injures his head while operating a machine in his work station  c. Injury caused to pedestrians after a poorly constructed bridge collapse  d. Loss of a precious jewellery after thieves break into business premises |  |

21. Highlight the features of deferred payment (4mks)

22. For each of the following transactions, state the account to be debited and account to be credited. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Transaction | Account  Debited | Account  Credited |
| a. | Took goods worth Ksh. 5,000 for personal use |  |  |
| b. | Goods bought on credit worth Ksh.2,700 were returned to the supplier. |  |  |
| c. | Draw a cheque for Ksh.10,000 for personal use. |  |  |
| d. | Sold an office table worth Ksh.5000 at cost in cash. |  |  |

23. Give four measures used by the government to control high rates of unemployment. (4mks)

24. Highlight four features of state corporations / parastatals. (4mks)

25. Give the function of each of the following machine. (4mks)

|  |  |  |
| --- | --- | --- |
|  | Machine | Functions |
| a. | Letter opener |  |
| b. | Folding machine |  |
| c. | Staple remover |  |
| d. | Guillotine |  |