

GATITU GIRLS SECONDARY SCHOOL BOX 327-01030 GATUNDU
FORM3 THIRD TERM 2014 BUSINESS STUDIES PP1

NAME.....ADM.....CLASS.....

1. State four ways in which knowledge of business studies would benefit a secondary school leaver. (4 marks)

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2. Highlight four disadvantages of multiple stores (4 marks)

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3. State four limitations of delocalization of firms (4 marks)

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4. Highlight four causes of a shift of demand curve to the left (4 marks)

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5. Keenly study the balance sheet of Smart traders which has been wrongly drawn, prepare a correct one. (4 marks)

Smart traders
Balance sheet
As at 31/08/2009

Assets	shs.	Liabilities	shs.
Stock	80000	Bank overdraft	80000
Creditors	50000	Debtors	35000
Long term loan	65000	Land	120000
Capital	130000	Furniture	75000
		Cash	15000
	325000		325000

6. Outline four principles of cooperative societies (4 marks)

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7. State four errors that cannot be revealed by a trail balance. (4 marks)

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8. Outline four differences between a whole life policy and endowment policy (4 marks)

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9 The following transactions belong to Waki traders for the month of September 2012

- Sept 1: Started business with Sh.45,000 in the bank.
- Sept 3: Bought stock on credit sh.15,000 from Onyango
- Sept 4: Bought furniture sh.5,000 by cheque
- Sept 6: withdrew sh.15,000 from the bank and put it to business cash till.
- Sept 8: Paid sh.5,000 cash fro goods bought on credit from Onyango.
- Sept 9: Sold stock on credit sh.9,000 to Omari.

Prepare:

- Open ledger accounts of above transactions.(6mks)

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10)Highlight any four problems faced by human beings in the process of satisfaction of human want.
(4 marks)

- a).....
- b).....
- c).....
- d).....

11) Identify the type of utility created in the following circumstances. (4mks

Activity	Utility
a) Carpentry	
b) Selling bread to students	
c) Ware housing of goods imported	
d) Carriage of cargo to the market	

12 Outline the meaning of the following terms as used in insurance. (8 marks)

i) Cover note

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ii) Policy

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iii) Premium

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iv) Proposal form

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13) Highlight four factors that may cause a demand curve to shift to the left. (4 marks)

a).....

b).....

c).....

d).....

14) The information given below was extracted from books of accounts of Mwebesa Traders as at 30th June 2006.

	Sh.
Land and building	450,000
Motol vehicles	640,000
Debtors	30,000
Creditors	80,000

Bank over drafts	400,000
Net profit	104,000
Drawings	104,000
Capital	?

Using the information above, prepare Mwebesa Traders Balance Sheet as at 30th June 2006.

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