

GATITU GIRLS SECONDARY SCHOOL PO BOX 327-01030 GATUNDU
 BUSINESS STUDIES TERM ONE MIDTERM EXAM FORM FOUR 2016

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

1. (a) State **five** advantages of warehousing to the consumers. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

(b) The following information relates to Bahari retailers for the month of January 2013.

Invoices received

Jan	6	Mandela Ltd	shs.	70,000
	12	Othiambo Traders	shs.	150,000
	18	Jua Kali Enterprises	shs.	50,000

Invoices

Jan	5	Jambini Traders	shs.	10,000
	10	Fedha Ltd	shs.	100,000
	15	Kalu Works Ltd	shs.	120,000

Credit Note issued

Jan	5	Jambini Traders	shs.	12,000
	13	Fadhili Ltd	shs.	6,000

Credit Note received

Jan	7	Mandela Ltd	shs.	5,000
	14	Othiambo Traders	shs.	1,000

Additional Information:

Jan	8	Sold machinery on credit to Kwetu retailers	shs. 50,000
	9	Bought electronic equipment on credit from lowland retailers	shs. 8,000
	10	Brought shs. 5,000 cash into the business from own sources.	

Required: Record the above transactions in the appropriate diary books. (10mks)

Lined area for writing answers to the first question.

(2) Describe any five types of unemployment experienced in Kenya. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

(b) Under what circumstances would a producer use wholesaler in distributing farm produce. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

3(a) Discuss five factors that influence the level of National Income of a country. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

(b) Outline any **five** differences between Partnerships and Cooperative societies. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

4(a) Explain **five** factors that an insurance company will consider before determining the premium to charge an applicant for an assurance policy. (5mks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

(b) The following information relates to the books of Mwalimu Traders as a 31st December 2014.

Sale	670,000
Purchases	380,000
Opening stock	60,000
Closing stock	40,000
Return inwards	70,000
Carriage on purchases	10,000
Commission received	15,000
Rent paid	18,000
Salaries and wages	33,000
Postage	2,000
Discount received	7,000
Travelling	12,000
Repair and maintenance	4,000

Required:

Prepare Mwalimu Traders Trading Profit & Loss Account for the year ended 31st December 2014.

(10mks)

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5 Prepare Betty's trial balance from the following information. 5mks (5mks)

Items	Kshs.
Purchase	130,000
Capital	150,000
Sales	165,000
Debtors	45,000
Creditors	40,000
Motor vehicles	120,000
Stock	50,000
Cash at Bank	10,000

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bOndiko Traders had Kshs. 100,000 cash in hand, Kshs. 243,000 cash at bank during the month of March 2008. The following transactions took place in that month.

- March 3 – Paid insurance Kshs. 5,000 cash.
- March 11 – Cash sales Kshs. 14,000
- March 14 – Purchased equipment worth Kshs. 37,000 paying by cheque.
- March 20 – Deposited Kshs. 30,000 into Bank from cash till.

Prepare Ondiko Trader's Two-column Cash Book for March 2008. (5mks)

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6 State the journal that deals with each of the following types of transactions. (6mks)

	Type of transaction	Journal
(i)	Credit sales	
(ii)	Return of goods by customers.	
(iii)	Return of goods to suppliers.	
(iv)	Cash cheques received.	
(v)	Credit purchases	
(vi)	Sale of fixed assets	

b) Otwoma intends to start a business. Give **four** reasons why it is advisable for him to start a retail business shop instead of buying shares in public limited company. (4mks)

- a) _____
- b) _____
- c) _____
- d) _____