

1. a) Explain five commercial services that may be required during distribution of goods. (10 marks)  
b) Explain five ways in which goods can be prepared for sale while in a warehouse. (10 marks)
2. a) The following balances were extracted from the books of Maeni Traders as at 1st March, 2015.

Shs.

Bank 45,000

Creditor (Nyange Wholesalers) 30,000

Capital 500,000

The following transactions took place during the month of March 2015.

March 3 The owner sold his personal furniture for sh40, 000 and deposited the cash into the business bank account.

March 14 Bought goods on credit from Nyange Wholesalers, sh42, 000

March 25 Cash sales, sh16, 000, directly banked.

March 27 Returned goods worth sh8, 000 to Nyange Wholesalers after they were found to be defective.

March 30 The owner took stock worth sh10, 000 from the business for personal use.

Required:

- a) Record the above transactions in the relevant ledger accounts and balance them off as at 31st March 2015. (10 marks)
  - b) Highlight five factors that may limit the size of a firm. (10 marks)
3. a) Outline five qualities expected of an effective office secretary. (10 marks)  
b) Explain five circumstances under which a trader would prefer to use railway to transport his goods. (10 marks)
  4. a) Explain five limitations of using mobile phones as a means of communication. (10 marks)  
b) The table below shows the demand and supply schedules for a commodity on a market.

Price (sh)	Quantity demanded (kg)	Quantify supplied (kg)
30	120	20
45	100	30
50	70	50
60	55	80
65	40	90
80	15	110

Using the data in the schedules above, plot the demand and supply curves to clearly show the equilibrium point,

equilibrium quantity and equilibrium price. (10 marks)

5. a) Outline four characteristics of an attractive business opportunity for investors. (8 marks)
- b) Lolana Resort Ltd had the following balances as at 31st December 2014.
- Shs
- Motor van 560,000
- Bank loan (1 year) 70,400
- Debtors 24,500
- Creditors 63,000
- Furniture 64,500
- Net profit 311,000
- Closing stock 24,500
- Cash at bank 147,700
- Drawings 23,200
- Capital 400,000
- Required: i. Prepare a balance sheet as at 31st December 2014. (8 marks)
- ii. Highlight two uses of the balance sheet to the business. (4 marks)
6. a) Explain the circumstances under which each of the following insurance policies may be taken by a business. (10 marks)
- i. Comprehensive motor insurance policy.
- ii. Workmen's compensation policy.
- iii. Consequential loss policy.
- iv. Endowment life policy
- v. Burglary policy
- b) Describe five measures that the government can take to reduce the rapid population growth rate in Kenya. (10 marks)