

1. State four factors that determine the choice of human wants to be satisfied.
2. Highlight four reasons why the Kenya government has decided to control the exploitation of her natural resources.
3. Outline four benefits of a self-service shop to a customer.
4. Give four factors that one should consider when choosing a means of transport.
5. Outline four circumstances under which a bill of exchange may be preferred as means of payment.
6. As Kenya's economy strives to do well, most Kenyans are bound to live beyond 70 years.
Outline four negative effects of an ageing population to Kenya's economy.
7. Highlight four salient features of a public warehouse.
8. Give the terms used in insurance that best fits each of the following descriptions.

Description	Term
a) Insures against breakage caused to display glass windows.
b) Periodic payment by the insured
c) Acquiring the right the insured had in the destroyed property.
d) Life assurance lasting for a specified period.

9. Outline four advantages of using e-mail in communication.
10. State four factors that determine the period for which documents should be stored.
11. List four external business environments that may negatively affect the operation of a business.
12. Outline four dangers of comparing living standards in different countries using national income statistics.
13. Highlight four disadvantages of operating a business as a partnership.
14. State four factors one should consider when evaluating a business opportunity.
15. State the factor of production that each of the following resources relate to.

Resource	Factor of production
a) Rainfall
b) A lawn mower
c) Investor
d) Cook

16. The following information relates to Lwakhakha Traders as at 31st December 2012. Details
 - a) Total drawings shs 380,000
 - b) Brought in a private car valued at shs.730 000 into the business.
 - c) Capital shs. 8,350,000 on 31st December 2012.

d) Profit earned during the year was shs. 2,880,000. Determine Lwakhakha's capital as at 1st January 2012.

17. The following balances was extracted from the books of Naitiri Hardware

Enterprises on 1st June 2014. Shs.

Debtors 700,000

Creditors 100,000

Prepaid rent 85,000

Cash at bank 100,000

Cash in hand 50,500

Equity bank loan 750,000

Fixed assets 2,700,000

Stock in trade 214,000

Required:

Prepare Naitiri's Hardware Enterprises balance sheet as at 30th June 2014.

18. From the following transactions, indicate the account to be debited and the account to be credited.

Transaction	Dr.	Cr.
a) Commenced business with sh.50,000 cash and shs.200,000 in the bank		
b) Okiru bought a piece of land from Ndiema worth shs. 300,000 paying by cheques shs 200,000 and balance to be paid later.		
c) Paid Juma a creditor shs.20, 000 from private sources.		

19. On 1st December 2013, Kimilili Traders had shs.85, 000 cash in hand and a bank overdraft of shs.88, 000. During the month, the following transactions took place.
- 2nd December: Cash sales shs 209,400
- 4th December: Bought goods worth shs 80,000 on credit from Kimaeti Wholesalers.
- 6th December: Wafula, a debtor settled his account of Shs, 500,000 by cheque less 5% cash discount.
- 16th December: Paid wages shs. 30,000 in cash.
- 21st December: Settled a creditor Maruti's account of shs. 20,000 by cheque less 2% cash discount.
- 31st December: Banked all the cash except shs. 25,000

Enter the above transactions in the three column cash book.

Date	Details	Disc Allowed	Cash	Bank		Date	Details	Disc Received	Cash	Bank

20. The following balances were extracted from the books of Bukunjabo Traders for the month ending 30th June 2010.

Shs

Sales 420, 000

Purchases 240, 000

Equipment 120, 000

Motor van 300, 000 Debtors 80, 000

Creditors 40, 000

General expenses 160, 000

Capital 440, 000

Prepare a Trial Balance of Bukunjabo Traders for the month of June 2010. (4 marks)

21. Post the following transactions to the books of Bumula Wholesalers. (4 marks)

1st March 2014: Commenced business with shs. 150, 000 cash at the bank.

10th March 2014: Bought motor vehicle from CMC Ltd for shs.950, 000 on credit.

15th March 2014: Withdrew shs.50, 000 from bank for business use.

20th March 2014: Paid shs.30, 000 cash to CMC Ltd Dr.

Dr.	Cr.

Dr.	Cr.

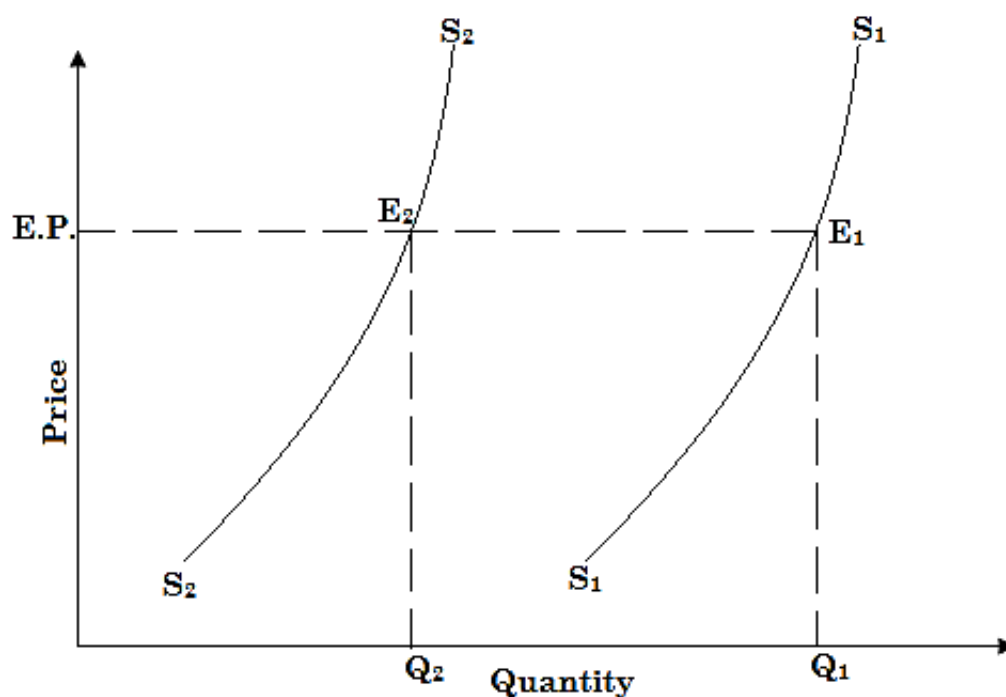
Dr.	Cr.

Dr.	Cr.

Dr.	Cr.

22. State four emerging issues in product promotion.

23. The figure below shows a shift in the supply curve of maize production in Bungoma County.



Outline four factors that may have caused the shift in the supply curve from S_1 to S_2 .

24. Highlight four ways in which productivity of labour can be enhanced.
25. State four characteristics of a good filing system.