

Answer all the questions in the spaces provided.

1. State four external factors that may adversely affect the efficient operations of a business enterprise.4 mks
 - a.
 - b.
 - c.
 - d.

2. Likoni traders a newly established firm has constructed an office block. Outline four factors that will be considered when deciding on the type of office layout.4mks
 - a.
 - b.
 - c.
 - d.

3. State the document used for the following function.4mks
 - i. To inform a buyer that his or her account has reduced by a certain amount
.....
 - ii. To request a supplier to provide a particular service to a customer
.....
 - iii. To determine the credit worthiness of a customer
.....
 - iv. To show that transport has been hired to deliver specified goods to a particular buyer
.....

4. Classify each of the following accounts in the table below as either real, nominal, or personal 4mks

nt	ication
ses	

income	
otieno	
nt allowed	

5. The demand for oranges doubled even if the price of the oranges remained the same over the same period. State four factors that may account for this.4mks

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

6. Joshua insured his vehicle against theft, later the vehicle was stolen in a packing bay. Outline the procedure he would follow when making insurance claim for his vehicle. 5mks

.....
.....
.....
.....

7. Highlight four benefits of transporting oil from Turkana to Mombasa by pipeline. 4mks

- a)
- b)
- c)

d)

8. List four drawbacks of verbal communication in an organization. 4mks

a.

b.

c.

d.

9. Identify four ways through which the government encourages establishment of industries throughout the country.4 mks

a.

b.

c.

d.

10. List four factors that adversely affect the functioning of a warehouse. 4mks

a.

b.

c.

d.

11. Use the diagram below to answer the questions that follow. 3mks

Price a

b

a

Quantity

- a) Identify the market structure to which the diagram above belongs.....
- b) Curve labeled a-a.....
- c) Name the part labeled b.....

12. Outline four factors that hinder entrepreneurship in Kenya. 4mks

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

13. Outline four benefits that Kamau would get for being a member of SACCO.4mks

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

14. Kenya is one of the countries experiencing unemployment problems. Identify four causes of the problem.4mks

- a.
- b.
- c.

d.

15. Outline four characteristics of direct production 4mks

a.

b.

c.

d.

16. Highlight four reasons why a firm may choose to remain small. 4mks

a.

b.

c.

d.

17. Outline four reasons why ethical practices are necessary in product promotion. 4mks

a.

b.

c.

d.

18. Highlight four factors that may lead to low level of national income. 4mks

a.

b.

c.

d.

19. Outline four reasons that make it difficult to satisfy all our wants.4mks

a.

b.

c.

d.

20. The following information has been extracted from the books of Akili as at 30th june 2001

Land and building	235,000
Machinery	142,000
Motor vehicle	198,000
Debtors	25,000
Capital	330,000
Creditors	50,000
Bank overdraft	200,000
Net profit for the year	62,000

From the information above, calculate Akili’s drawings for the year.4mks

21. Nyundo had the following assets and liabilities on 1st march 2006.

Capital	120,000
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Machinery	80,000
Creditors	10,000
Debtors	20,000
Stock in trade	25,000
Cash at bank	5,000

On 2nd march he had the following transactions;

Purchased goods for 15,000 on credit.

Received a cheque of 10,000 from a debtor.

Sold machinery for 90,000 in cash.

Prepare his balance sheet on 2nd march, 2006.4mks

22. Mention four purposes of preparing a trial balance.4mks

- a.
- b.
- c.

d.

23. Outline four factors that may cause the capital of an ongoing business to change. 4mks

a.

b.

c.

d.

24. Yogen had the following transactions with a creditor, Sulem, 2017

June 1 Balance from May 14,000

2 Bought stock from Sulem on credit Kshs. 80,000

4 Returned faulty goods to Sulem Kshs. 2,000

7 Paid Sulem the debt by cash less 2% discount.

Prepare Sulem's account as it would appear in the books of Yogen. 4mks

25. In the two column cash book given below, enter the missing figures.4mks

Waria Traders
Two Column Cash Book
For The Month of July, 2008

	s				s		
May 1	ce b/d			May 1	ce b/d		
)	7	ases		
	rs			0	ors)
	c'			8	c'		
	nent)		1	d		
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