

## BUSINESS STUDIES

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1. a) Discuss FIVE functions of the budget as a planning tool. 10mks \*NDI\*  
b) Explain five adverse effects of a large population on the economic development of a country. 10mks \*NDI\*
  2. a) Explain FIVE reasons for trade restrictions. 10mks \*NDI\*  
b) Highlight FIVE differences between a private limited company and public corporation 10mks \*NDI\*
  3. a) Explain FIVE uses of national income statistics.  
b) Discuss FIVE advantages of mobile phones in communication 10mks \*NDI\*
  4. a) Describe FIVE steps followed in personal selling. 10mks \*NDI\*  
b) Explain FIVE contributions of appropriate technology to the success of business enterprise. 10mks \*NDI\*
  5. a) Discuss FOUR types of marine Insurance. 8mks \*NDI\*  
b) Enter the following information to the relevant books of original and post to the ledger 10mks \*NDI\*
- Feb 1 Sales to Ng'eno goods worth shs.4500 invoice no. 458  
Feb 4 Sales to Njuguna goods worth shs.7,200 invoice no 213  
Feb 12 Credit sales Ng'eno shs.8,000 invoice no. 469  
Feb 17 Invoice no.214 to P.K Ndoto shs.9,200  
Feb 24 Credit note no.102 from J. Ngeno shs.450
6. a Explain FIVE shortcomings of self employment 8mks \*NDI\*  
b) from the following trial balance of Utumishi enterprises, draw up a trading, profit and loss for the year ended 31<sup>st</sup> December, 2004

**Utumishi**  
**Trial balance**  
**As at 31-12-2004 \*NDI\***

General expenses	41,700	
Opening stock	28,000	
Motor expenses	51,450	
Salaries	249,200	
Insurance	27,440	
Purchases	1,286,950	
Sales		1,877,050
Motor vehicle	196,000	
Creditors		361,200
Debtor	286,300	
Premises	1,400,000	
Cash at bank	96,250	
Cash in hand	1,750	
Capital		1,704,290
Drawings	<u>304,500</u>	
	3,942,540	<u>3,942,540</u>

Stock on 31<sup>st</sup> Dec. 2004 was valued at sh.40,000

**TURN OVER**