## BUSINESS PAPER 1 2011

- 1 Identify the types of wholesalers described in the statements given below: (4 marks)
  - (a) Awholesaler who trades in maize grain only.
- A wholesaler who supplies goods to most of the traders in Kitui, Mbooni and Machakos districts in the Eastern part of Kenya.
  - (c) A wholesaler who buys tomatoes from farmers in rural areas and sells the same to other wholesalers in urban areas.
  - (d) A wholesaler who trades in a wide variety of human medicine.
- 2 Outline **four** factors that should be considered before buying office equipment.

(4 marks)

(a)

(b)

(c)

Outline **four** malpractices by traders against which consumers may need protection by the

government. (4 marks)

(a) .....

(d)

(b) .....

(c) .....

(d) .....

	4	S	tate <b>three</b> features of are in	o nsurable interest.	(3 marks)			
		(a	<i>,</i> ©'					
		(b	)					
		(c	×.					
	10.I		4 \ '	vith each of the factors of produc	ction in the table			
	below.							
			Factor of Production	Reward	(4 marks)			
	ee t	. <del>3</del>	Land					
		b	Labour					
۶ م	<b>*</b>	С	Capital					
For More		d	Entrepreneurship					
<b>\$</b> <sup>0</sup>				I				
	11.		Outline <b>four</b> circumstances	s under which a co-operative so	ciety may be			
	diss	olve	d. (4 marks)					
		(a						
		(b	)	•••••				
	12	(c						
		(d	)	,				
		F	lighlight <b>four</b> features of a l	bonded warehouse.	(4 marks)			
		(a	)					
		(b	)					
		(c						
		(c	)					
	13 firm		Outline <b>four</b> factors that ma	ay be considered when measurin	ng the size of a			

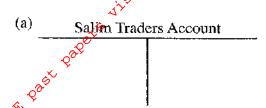
(4 marks)

14. The following transactions were extracted from the books of Sarah Traders for the month of March 2006.

March 10: Purchased goods on credit worth Ksh 200,000 from Salim Traders March 25: Sold goods on credit worth Ksh 420,000 to Shah Traders

Record the above transactions in the ledger accounts below:

(4 marks)



(c) Shah Traders Account

(b) _	Purchases	Purchases Account				
	;					

(d) Sales Account

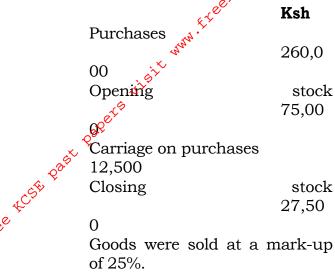
- 15. On 2<sup>nd</sup> November 2006, Oromo received an invoice for Ksh 12,000. Terms of payment were trade discount 5% and cash discount 10%, if payment is made within 30 days. Determine the amount paid if payment was made on 28th November 2006. (4 marks)
- The following balances were extracted from the books of Nafula Traders as at 31st December 2005.

		Ksh
Current 1	Liabilities	150,000
Net	profit	50,000
Total	assets	500,000
2 vears E	Bank loan 10	0.000

Calculate the rate of return on capital.

(4 marks)

The information given below was extracted from the books of Amina Traders on 31st December 2006.



Using the information given above, prepare Amina Traders' Trading Account. (4 marks)

18 State **four** benefits that a farmer may get by transporting produce to the market by road.

	(4 marks
(a)	
(b)	
(c)	

				ast Par						
(d)		• • • • • • • • • • • • • • • • • • • •			•••••	•••••	•••••	• • • • • • • • • • • • • • • • • • • •		
<b>771</b>		\$ĵ	ce.		. •					
	ght weeks	in the 1	w repre	esems	me sur				uma wi	kı (kales)
	Jije <sup>i</sup>	<i>,</i>								
K	256 to	1	2	3	4	5	6	7	8	
TECHÓ	(METRIC	505	485	430	375	340	290	215	195	
<u>\$</u>										(4 marks)
		uses of	f the tro	end in						
(a)			•••••							
(b)			••••							
(c)										
(d)		• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	•••••	•					
Out ry.	dine <b>four</b> w	vays in	which	house	holds c	contrib	ute to 1	nationa	ıl incon	ne of a
										(4 marks)
(a)	•••••		•••••		• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •		•••••		
(b)	•••••	• • • • • • • • • • • • • • • • • • • •	••••••	••						
(c)										
(d)	•••••									
Out	tline <b>four</b> c	circums	stances	s in wh	ich a t	rader n	nav us	e oral d	commu	nication.
							J	0 0101		
	The for eight of the tartest of the	The table give for eight weeks  Coutline four cathe table.  (a)  (b)  (c)  (d)  Outline four wry.  (a)  (b)  (c)  (d)	Outline four causes of the table.  (a)  (b)  (c)  (d)  Outline four ways in ry.	Outline four causes of the trethe table.  (a)  (b)  (c)  (d)  Outline four ways in which ry.  (a)  (b)  (c)  (d)  (b)  (d)	Outline <b>four</b> causes of the trend in the table.  (a)	The table given below represents the surfor eight weeks in the months of January at the property of the months of January at the months of January	Outline <b>four</b> causes of the trend in the table.  (a)	The table given the works in the months of January and February   1	Outline <b>four</b> causes of the trend in the table.  (a)	Outline <b>four</b> causes of the trend in the table.  (a)

(a)

(b)

		and the second s	
	(c)		
	(d)	······································	
22	Outli	ine <b>four</b> reasons why a firm may remain small.	(4 marks
	(a)		
	(b)	20 <sup>2,5</sup>	
	(c) 💉	6 <sub>0</sub> ,	•••••
	(c) (d)	,	
. (	Š		

On 1st January 2007, Muthoni Traders Cash Book showed a credit balance of Ksh 150,000 at the bank and a debit balance of Ksh 25,250 in hand. During the month, the following transactions took place:

January 5: Made cash sales for Ksh 21,500

January 16: Received a cheque for Ksh 360,000 from a debtor.

January 28: Paid a creditor Ksh.100,000; partly by a cheque of Ksh 80,000

and the

balance in cash.

Prepare a Two-column Cash Book for the month. (5 marks)

## **MUTHONI TRADERS CASH BOOK**

DR CR

Date	Details	Cash (Kshs)	Bank (Kshs)	Date	Details	Cash (Kshs)	Bank (Kshs)

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3,4					

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Determine the increase in Consumer **Price** Index using 2006 as the base year.

marks)

(4