1. State four factors that may affect the geographical mobility of labour. (4 marks)

2. Outline four ways in which Commercial Attaches may promote trade between their country and other countries. (4 marks)

3. Amboseli Enterprises has been spending heavily on promotion for its products though its sales have consistently declined. Outline four measures that the company may take to reverse the trend. (4 marks)

4. Write the type of demand represented by each of the following statements.
   (i) Demand for a commodity causes an increase in demand for another commodity.
   (ii) Demand for one commodity calls for demand for another commodity. (2 marks)

5. The following balances were extracted from the books of Saku Traders on 31 March 2008:
   
   Fixed assets 300,000
   Currents assets 123,700
   Creditors 84,500
   5-year loan 125,000

   Determine the networth of the business as at 31st March 2008. (4 marks)
6. Indicate the type of journal in which each of the following transactions would be recorded.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Type of journal</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Goods previously sold on credit were returned</td>
<td></td>
</tr>
<tr>
<td>(ii) Goods bought on credit</td>
<td></td>
</tr>
<tr>
<td>(iii) Goods sold for cash</td>
<td></td>
</tr>
<tr>
<td>(iv) Motor vehicle sold on credit</td>
<td></td>
</tr>
</tbody>
</table>

(4 marks)

7. A trader has decided to take a loan to expand a manufacturing business. Give two reasons why it is beneficial to borrow from a non-bank financial institution. 

(4 marks)

8. State four items that usually appear on the credit side of the current account of a country.

(4 marks)

9. Outline four benefits that may accrue to a business from a country's political stability.

(4 marks)

10. A lucrative manufacturing firm has been constantly releasing toxic wastes into the neighbourhood. Outline four measures you can take to stop the firm from such malpractice.

(4 marks)

11. Outline four factors that should be considered in the choice of a means for transporting perishable goods.

(4 marks)
12. Outline four circumstances under which face to face communication may be ineffective. (4 marks)

13. Highlight four benefits that would accrue to a firm located near other existing firms. (4 marks)

14. Country X has been experiencing an upward trend in the price of petrol as a result of a rise in inflation. State four steps that can be taken to minimize expenditure on this product. (4 marks)

15. Outline four reasons why an increase in per capita income may not necessarily lead to an increase in the standard of living of the citizens. (4 marks)

16. The bookkeeper of TandeTraders extracted the following information from the accounting records.

<table>
<thead>
<tr>
<th>Date</th>
<th>Suppliers</th>
<th>Discount received</th>
<th>Purchases returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.2007</td>
<td>465,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31.12.2007</td>
<td>640,000</td>
<td>12,000</td>
<td>25,000</td>
</tr>
</tbody>
</table>

During the year ended 31.12.2007, suppliers were paid Sh 1,500,000 while cash purchases amounted to Sh 800,000. Determine the purchases for the year. (5 marks)

17. Outline four circumstances that would make an office manager to replace an existing machine with a modern one. (4 marks)
18. Outline four reasons why hypermarkets are becoming increasingly popular in Kenya. (4 marks)

19. The graph below shows the rate of population growth of a given country.

![Graph showing population growth rate over time]

Outline four factors that may have contributed to the trend between $s$ and $t$. (4 marks)

20. Kazim maintains a petty cashbook on a weekly imprest of Sh 13,000. On 1st April 2007 the cash balance was Sh 2,570. During the week of April, the following transactions took place.

2007
April 2  Received reimbursement from the main cashier
  "  3  Paid Sh 3,070 for cleaning materials
  "  4  Paid Sh 2,000 bus fare
  "  6  Bought stationery worth Sh 2,200

Prepare a petty cashbook to record the above transactions using cleaning, stationery and bus fare columns. (5 marks)
21. Highlight four circumstances under which business enterprises may choose to merge. (4 marks)


<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>400,000</td>
</tr>
<tr>
<td>Stock</td>
<td>120,000</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>60,000</td>
</tr>
<tr>
<td>Net profit for the current year</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Calculate:

(i) rate of return on capital employed

(ii) current ratio (4 marks)

23. Highlight four factors that must be considered before incurring public expenditure. (4 marks)
24. Outline four benefits that accrue to the government as a result of privatization of public enterprises. (4 marks)

25. KAMAT owned a motor vehicle valued at Sh 1,000,000. He comprehensively insured the car at Sh 800,000. The motor vehicle was involved in an accident and declared a write off. Calculate the amount KAMAT should get from the insurer. (4 marks)