1. Outline FOUR money transfer services offered to current account holders provided by commercial banks. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Highlight FOUR legal political factors that may affect performance of a business. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. State FOUR reasons why you should encourage large scale farmers to join a producer co-operative society. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR factors that may give rise to the localization of firms in an area. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Rotich bought 500 blankets for sh 400 each. The terms of sale were 20% trade discount and 5% cash discount if payment was made within two weeks. Calculate the amount paid by Rotich if payment was made within three weeks. (4mks)
2. Highlight FOUR assumptions that are necessary for the circular flow of income in a two sector economy to be achieved. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR sources of finance for the government of Kenya. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. State FOUR advantages of warehousing to a manufacturer. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Highlight FOUR characteristics of a perfect competition market. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR factors that may limit the number of entrepreneurs in an economy.(4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. State FOUR circumstances under which a country may find it necessary to restrict foreign trade. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Highlight FOUR reasons why the government should be involved in commercial activities in the country. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. The following balances were extracted from the books of Nyongesa traders as at 31.12.2017.

Sh

Gross profit 186,200

Discount allowed 7,400

Carriage outwards 13,500

Carriage inwards 2,000

Rent received 34,300

Office expenses 19,600

Salaries 57,000

Prepare a profit and loss account for the year, (5mks)

1. State FOUR reasons why ethical issues are necessary in product promotion. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR consequences of a poor filing system in an organization. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Indicate whether the following items will be recorded on the Debit or Credit side of a three column cash book. (4mks)

ITEMS SIDE OF RECORD

1. Bank overdraft …………………………………………….
2. Debtors …………………………………………….
3. Discount allowed ……………………………………………..
4. Drawings ……………………………………………..
5. Highlight FOUR effects of a shift of supply curve to the right while the demand curve is held constant. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. State FOUR steps that may be followed by the insured when claiming compensation. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR factors that may influence the channel of distributing perishable goods. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Highlight FOUR reasons why transport is important to a manufacturing firm. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR factors that are likely to lead to a decline in the birth rates. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Outline FOUR obstacles that a country may experience as she prepares a development plan. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. For each of the following transactions given below, indicate the original entry where records would be made. (3mks)

|  |  |
| --- | --- |
| TRANSACTION | BOOK OF ORIGINAL ENTRY |
| 1. Took cash from business for private use. |  |
| 1. Returned part of office equipments that was damaged to the supplier. |  |
| 1. A credit customer returned goods that were oversize. |  |

1. Outline FOUR functions of an entrepreneur as a factor of production. (4mks)

(i)…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

(ii)……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………..

(iii)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. The following balances were extracted from the books of Njoro Traders for the month ended 31.3.2018.

Sh

Purchases 240,000

Sales 420,000

Debtors 80,000

Creditors 40,000

Return outwards 440.000

Carriage outwards 160,000

Discount allowed 300,000

Bank 120,000

Prepare Njoro Traders trial balance. (4mks)