

*Answer any five the questions in the space provided after question 6.*

- 1 (a) Explain five challenges that people face when satisfying their wants. (10 marks)
- (b) Discuss five features of monopolistic competition. (10 marks)
- 2 (a) Explain four differences between a public limited company and a public corporation. (8 marks)

- (b) The following transactions were carried out by Karibu Traders in the month of January 2024.

- 1<sup>st</sup> January: Started business with sh. 8,000 cash in hand and a bank overdraft of sh. 16,500.
- 2<sup>nd</sup> January: Sold goods worth sh. 12,000 in cash.
- 3<sup>rd</sup> January: Received a cheque of sh. 41,650 from Kabu after allowing a 2% cash discount.
- 4<sup>th</sup> January: Received sh. 18,600 cash from a debtor.
- 5<sup>th</sup> January: Transferred sh. 9,000 cash to the bank account.
- 6<sup>th</sup> January: Paid rent by cheque sh. 11,500.
- 7<sup>th</sup> January: Paid Jomya Traders sh. 5,820 by cheque after receiving a 3% discount.
- 8<sup>th</sup> January: Sold goods worth sh. 7,000 in cash.
- 9<sup>th</sup> January: Paid electricity sh. 1,600, water sh. 700, and postage sh. 200 in cash.
- 10<sup>th</sup> January: Received cash in settlement of sh. 6,000 debt after granting a 2% discount.
- 12<sup>th</sup> January: Paid wages by cheque sh. 4,400.

**Required:** Prepare Karibu Traders three column cash book. (12 marks)

- 3 (a) Explain five demerits of raising government revenue through use of direct taxes. (10 marks)
- (b) Explain five benefits of conducting online office meetings. (10 marks)

- 4 (a) Highlight five differences between property insurance and life assurance. (10 marks)
- (b) The following information was extracted from the books of Manu Traders on 31/12/2024:

Items	sh
Sales	650,000
Purchases	541,000
Closing stock	91,000
Margin	20%

- Required:**
- (i) Prepare Manu Traders Trading account. (8 marks)
- (ii) Determine Manu Traders average stock. (2 marks)
- 5 (a) Explain five disadvantages of television advertising. (10 marks)
- (b) Explain five circumstances under which the government may restrict importation of goods. (10 marks)
- 6 (a) Explain five ways in which the government can reduce unemployment in Kenya. (10 marks)
- (b) Discuss five benefits that a County government can gain from preparation of a five-year (5) Development Plan. (10 marks)