**MID TERM THREE 2022**

**BUSINESS STUDIES PP1**

**FORM THREE**

**TIME: 2 HOURS**

**NAME ……………………………………………………………….ADM……………CLASS…………**

1.Highlight three ways in which the cultural environment may influence business negatively (3mks).

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2.Identify the mailing services that fits the following description (5mks)

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| Description | Mailing service name |
| i)Offered to traders who may wish to receive correspondence away from their post office box |  |
| ii)Used for sending correspondence and parcels to destination in shortest time possible. |  |
| iii)Offered to those sending articles of value which require security handling |  |
| iv)Offered so that customers may be encouraged to reply to their letters |  |
| v)Service offerd and arrangement starts at the addreses post office so that the mail is not delayed. |  |

3.Give four reasons why a perfect competition market structure is theoretical (4mks)

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4.State four main reasons why motor cycles are becoming popular in Kenya (4mks)

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5.In the spaces provided indicate with a (√) whether each of the following transactions will increase / decrease or have no effects on the balance sheet totals.(5mks)

|  |  |  |  |
| --- | --- | --- | --- |
| Transaction | Increase | Decrease | No effect |
| i)Selling a business asset at a loss |  |  |  |
| ii)Depositing extra cash in business account. |  |  |  |
| iii)Drawing cash for personal use |  |  |  |
| iv)Buying stock on credit |  |  |  |
| v)A debtor paid by cash |  |  |  |

6.The following information relates to Zawadi Traders rental income. (4mks)

1/01/2015-Had Ksh. 50,000 in the rent income account at the beginning of the year

10/6/2015-Received Ksh 120000 from tenants Kinyua

12/11/2015-Mr Kinyua vacated the premises and was refunded Ksh 20000

Required: prepare Zawadi traders rental income account and balance it off as at 31st Dec 2015.

7.Use a well labeled diagram to illustrate equilibrium quantity and equilibrium price (4mks)

8.The following is a format of the credit side of a three column cash book (4mks)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date |  | V | W | X | Y |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Name the columns labeled V, W,X,Y

V…………………………………………………………………………………………………………………………………………………

W…………………………………………………………..……………………………………………………………………………………

X………………………………………………..………………………………………………………………………………………………

Y…………………………………………………………..……………………………………………………………………………………

9.Outline four negative consequences of poor arrangements of goods in a warehouse(4mks)

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10.Mogambi and sons started a shoe making company which has grown to larger scale business in last four years. Disclose any five benefits that would accrue to the company due to the growth of the shoe industry (5mk)

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11.Determine the missing figures in the table below. (4mks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FA | CA | C | L |
| a) | 75500 | **I** | 65000 | 15500 |
| b) | 82000 | 28000 | **J** | 30000 |
| c) | **K** | 56400 | 63100 | 49900 |
| d) | 34400 | 76200 | **L** | 240600 |

I…………………………………………………………………………………………………………………………………………………

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J…………………………………………………………………………………………………………………………………………………

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L…………………………………………………………..……………………………………………………………………………………

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ii)Identify the nature of business (d) (1mk)

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12.Outline four functions of the Kenya Bureau of standard (KEBS) (4mks)

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13.Disclose four types of errors that may not affect the balancing of the trial balance. (4mks)

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14.In which ledger is each of the following accounts found? (4mks)

|  |  |
| --- | --- |
| a)Mutiso (a customer) |  |
| b)Igoki company (distributors |  |
| c)Bank |  |
| c)Land |  |

15.Highlight five qualities of a successful sales person (5mks)

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16.State three types of equipments used to reproduce documents in an office. (3mks)

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17.The following are balances of assets liabilities and capital of Gichogu Enterprises on 31st Dec 2017.

Capital 248,000

Land 400,000

Bank overdraft 160,000

Stock 20,000

Debtors 40,000

Electricity bill 100,000

The owners made drawings of 4000 per month during the year.

Required: Prepare Gichogu’s balance sheet on 31st Dec 2017. (5mks)

19.Identify four possible channels of distributing imported machinery from Germany. (4mks)

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20.State four uses of National income statistics (4mks)

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21.Give any four characteristics of free good. (4mks)

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22.Distinguish the following term as used in population. (4mks)

i)Immigration and emigration

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ii)Declining population and under population

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23.Classfy the following resources as either natural, human or man- made. (4mks)

|  |  |
| --- | --- |
| Resource | Classification |
| Book |  |
| Engineer |  |
| Gold |  |
| Panga |  |

24.State four ways in which HIV /AIDs prevalence has negatively impacted on business. (4mks)

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25.Use the two column cash book below to answer the questions that follow.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | L.F | Cash | Bank | Date | Details | L.F | Cash | Bank |
| 2014 |  |  |  |  | 2014 |  |  |  |  |
| Feb 1 | Bal | b/f | 20300 | 40000 | Feb 16 | Electrical bill |  |  | 8000 |
| Feb 2 | Sales |  | 2800 |  | Feb 25 | Bank |  | 10000 |  |
| Feb 20 | Purchases |  |  | 3000 | Feb 28 | Furniture |  | 25000 |  |
| Feb 25 | Cash |  |  | 10000 |  |  |  |  |  |

a)Identify and state an error in the cashbook (1mk)

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b)Describe the transactions recorded on 16th , 25th and 28th February respectively (3mks)

16th …………………………………………………………………………………………………………………………………………………

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25th …………………………………………………………………………………………………………………………………………………

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28th …………………………………………………………..……………………………………………………………………………………

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