**BUSINESS STUDIES**

**FORM THREE**

**MID TERM EXAM**

**NAME……………………………………………ADM NO……..CLASS…….**

**TIME: 1 ½ HOURS**

1. Outline four causes of unemployment. 4mks

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1. Outline four characteristics of life assurance policies. 4mks

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1. State four reasons for existence of small firms in the economy. 4mks

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1. Outline three characteristics of indirect production. 3mks

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1. Rahisi traders had the following details on 31st Jan 2019.

ksh

Machinery 500,000

Overdraft 38,000

Capital 620,000

Debtors 38,000

Cash 100,000

Creditors 280,000

Stock 300,000

Prepare Rahisi traders balance sheet as at 31st Jan 2019. 4mks

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1. Outline three functions of an entrepreneur. 3mks

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1. Outline four characteristics of sole proprietorship form of business. 4mks

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1. A business had the following records for the year ended 31st Dec 2018.

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Capital as at 31/12/18 64,000

Net profit 14,000

Capital as at 1/1/18 42,000

Drawings 15,000

Calculate additional investments made during the year. 4mks

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1. Outline three essential elements of transport. 3mks

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1. Outline four factors that may influence entrepreneurial culture in Kenya. 4mks

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1. State circumstances under which a cheque may be dishonored. 4mks

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1. Highlight four disadvantages of enclosed office layout. 4mks

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1. State four features of prefect completion market. 4mks

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