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

**BUSINES FORM THREE, TERM 2 - 2024**

**MID – TERM**

**TIME:2 HRS**

1. Highlight four reasons why traders do not prefer water transport. (4 mks)

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1. Mention four ways through which government regulate business activities. (4mks)

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1. Outline four determinants of price of commodities in the market. (4mks)

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1. Daily limited is a horticultural company producing flowers in Kenya. Outline four channels it may use to export its flowers to Germany. (4mks)

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1. Highlight four factors to be considered when determining premium to be charged in life assurance policy. (4mks)

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1. Outline four circumstances under which manufacturers may require to use intermediaries to sell their goods. (4mks)

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1. Differentiate the following terms as used in product promotion.
2. Publicity. (2mks)

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1. Public Relation. (2mks)

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1. Define the following terms as used in national income. (3mks)
2. G.D.P ……………………………………………………………………………………………………………………………………………………………………………………………………………………
3. G. N. P ……………………………………………………………………………………………………………………………………………………………………………………………………………….
4. Per capita income.

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1. D

*Price D0*

 P

 D

 D0

 O Q0  Q1  Quantity

Highlight four reasons that might have led to the above behavior. (4mks)

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1. Give five steps that Kenya can take to solve her employment problem. (5mks)

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1. a)i) Write down the basic book – keeping equation. (1mk)

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ii)Expound on the basic book keeping equation. (2mks)

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b) From the following information relating to Mayfair enterprises as at 31st July 2017. Determine the networth of the business. (2mks)

 Sh.

Furniture and fillings 20,000

Cash at hand 5,000

Cash at Bank 12,000

Creditor 7,000

Debtors 3,000

Long term Loan 10,000

1. The diagram below represents the relationship between population and income per capital.

 **Q**

**P(axis)**

 **R**

 **O s (axis)**

State what is represented by P and S (axis) and letter R and Q

P………………………………………………………………………………………………………………….

S………………………………………………………………………………………………………………….

R………………………………………………………………………………………………………………….

Q………………………………………………………………………………………………………………….

1. Outline four contents of a statement of account. (4mks)

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1. Outline four benefits that may accrue to business from a countrys political stability. (4mks)

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1. Study the curve below and answer the question that follows

 D0

 Price

 P A

 D1

 O Quantity demanded

1. Name the curve D0 AD1

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1. Name the part marked A

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1. Which product market is the curve applicable?

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1. Why is P the price that is generallyprevailing in the market

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**SECTION B**

1. Explain five factors that influence a country fertility rate. (10mks)

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1. Give five distinguishing features between monopoly and monopolistic competition market structures. (10mks)

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1. i)Diagrammatically illustrate the circular flow of income in a two sector economy. (6mks)

ii)State four assumptions for the circular flow in (i) above to hold. (4mks)

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1. The following information was extracted from the books of Njiru Retailers on 31ST December 2013

 2013 Sh.

Capital 105,000

ADB loan 82,000

Creditors 10,000

Premises 100,000

Furniture 14,000

Stock 30,000

Cash at Bank 48,000

Cash in hand 5,000

The following transaction took place during the month of January 2014.

January 8 paid part of the loan by cheque 20,000

January 11bought furniture on credit worth 8,000

January 18 Withdrew 5,000 from Bank for business use.

January 25 paid creditors by cash Sh. 3,000

January 30 bought stock for cash Sh. 2,500

Prepare the balance sheet of Njiru Retailers as at 31St January 2014.