**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ADM NO: \_\_\_\_\_\_\_\_\_\_\_\_CLASS: \_\_\_\_\_\_\_\_\_\_**

**DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SIGN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

MARKS HERE

**BUSINESS STUDIES**

**FORM 3**

**TERM 3, 2023**

**INSTRUCTIONS: (answer all questions) TIME: (1 h 30min)**

1. Draw **four** main problems associated with use of output approach by the government in measuring and determining the level of its national income. (4mks)

2. Identify **four** circumstances under which utility is created in a commodity within a firm. (4mks)

3. Under what **four** circumstances would cheque payment be preferred more than cash payment? (4mks)

4. Identify **four** common documents in home trade that are used for credit transactions in the Delivery stage. (4mks)

(b) The following balances were extracted from the books of Kazuri Enterprises on 31st December 2021.

Machinery 243,250. Furniture 125,345.

Creditors 495,000. Building 845,000.

Cash 148,650 Bank Overdraft 85,250.

Stock 745,400 Debtors 135,400.

4-year Bank Loan 650,000.

The following transactions took place during the month of January 2022.

January 2 Received a cheque of Shs 57,450 from a debtor.

January 5 Sold goods worth shs 120,000 for shs. 232,000 duly banked.

January 12 Sold part of machinery worth shs 43,250 for 40,000 cash.

January 15 Paid a creditor shs. 200,000 by cheque.

January 20 Banked shs 150,000 from the cash till.

Required:

(i) Kazuri Enterprises balance sheet as at 31st December 2021. (6 marks)

(ii) Kazuri Enterprises balance sheet as at 31st January 2022. (8 marks)

5. (a) Highlight **five** channels for distributing fish from Lake Victoria to the Kenyan consumer. (5 marks)

 (b) Give **five** importance of the Nairobi security market to the Kenyan economy. (5 marks)

6. Highlight **five** merits of localization of industries. (5 marks)

7. Businesses are currently employing new product promotional strategies as a way of boosting their sales volumes. Identify **five** such strategies. (5 marks)