**Name: …………………………………………………………… Adm no ………………**

**Date: ……………………………………………… Class ………………………………..**

**565**

**BUSINESS STUDIES**

**MID-TERM CAT**

**TIME: 1 HOUR 30MINS**

**FORM 4**

***Kenya Certificate of Secondary Education (K.C.S.E.)***

**Business Studies**

**INSTRUCTIONS TO CANDIDATES:**

* *Write* ***your name*** *and* ***Adm Number*** *in the spaces provided.*
* *Answer* ***all*** *the questions*
* *Candidates should check the question paper to ascertain that no questions are missing.*
1. The following transactions relate to the books of Amina traders as at 31st December 2015.

 Gross profit ............................................................................................. 20,000

 Commission allowed .............................................................................. 200

 Carriage on sales .................................................................................... 4,000

 Discount received................................................................................... 8,000

 Salaries.................................................................................................. 6,000

 Rent........................................................................................................ 2,000

 Discount revived .................................................................................... 400

 Commission received............................................................................. 1,500

 Interest on bank loan .............................................................................. 500

 Prepare Amina’s profit and loss account for the period ended 31st December, 2015.

 (5 marks)

2. The National Transport Safety Authority (NTSA) is a department within the transport sector in Kenya. Highlight **four** benefits Kenyans enjoy due to the establishment of NTSA (4 marks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

3. Outline **four** reasons why a firm would prefer to locate near the market of its products (4 marks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)----------------------------------------------------------------------------------------------------------------

4. List **three** withdrawals in the circular flow of income (3 marks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

5. The following transactions relate to the books of kilimo holdings. Record them in the relevant ledger accounts. (4 marks)

 (i) 1st January 2015, took a loan with ICDC of kshs. 50,000 receiving by cheque.

 (ii) 5th January 2015, kelunyo, a debtor paid his account of kshs. 40,000 in cash.

 (iii) 10th January 2015, took money from bank, kshs. 50,000 for office use

 (IV) 12th January 2015, bought furniture kshs. 35,500 in cash

6. Unemployment solving has been an agenda to most developing economies. Identify the type of unemployment being solved below. (4 marks)

 (i)Government initiating irrigation projects to ensure continuous production of food

 ....................................................................................................................................

 (ii)Retraining teachers to embrace use of technology in teaching and learning

 ...................................................................................................................................

(iii)Government and private sectors inventing job advertisement sites for easy access by job seekers

 ....................................................................................................................................

 (iv) Parliament passing legislation that accommodate the disabled people to acquire jobs

 ....................................................................................................................................

7. State **four** essentials of effective communication (4 marks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

8. Highlight **four** reasons why people engage in Business activities.(4marks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

9. Outline **four** characteristics of a good filing system (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

10. Highlight **four** methods that Government uses to protect consumers. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)-----------------------------------------------------------------------------------------------------------------

iii)----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

11.The following trial balance was extracted from the books of Mugoya Traders as at 30th

 June, 2014

**Mugoya Traders**

**Trial balance**

**As at 30th June 2014**

|  |  |  |
| --- | --- | --- |
| **Details** | **Dr** (shs) | **Cr** (shs) |
| Premises | 1,500,000 |  |
| Debtors and creditors |  20,000 |  30,000 |
| Cash at bank |  90,000 |  |
| Cash in hand |  10,000 |  |
| Purchases and sales |  140,000 |  320,000 |
| Stock of good on 1st July 2013 |  45,000 |  |
| Discounts |  6,000 |  2,000 |
| Salaries and wages |  50,000 |  |
| Commissions |  |  8,000 |
| Power and lighting  |  12,000 |  |
| Returns |  15,000 |  19,000 |
| Carriage outwards |  2,300 |  |
| Carriage inwards |  5,400 |  |
| Capital |  | 1,543,700 |
| Furniture |  27,000 |  |
|  | **1,922,700** | **1,922,700** |

***Additional information***

Stock of goods on 30th June, 2014 was worth sh22, 000.

**Required**: prepare trading, profit and loss account for the period ended 30th June, 2014. (10mks)