**NAME..……………………………………ADM No.…….. ….............**

**CLASS……………………………………….SIGN………………………..**

**565 /1**

**BUSINESS**

**FORM THREE**

**END TERM THREE**

**OCT 2023**

**Time: 2 Hours**

**JOINT EVALUATION EXAMS**

**INSTRUCTIONS TO CANDIDATES**

1. **Write your name and admission No. in the spaces provided above.**

 **2. Answer all the questions in the spaces provided**

 **FOR EXAMINER’S USE ONLY**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **Question** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |

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| **Question** |  | **13** | **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1 a) Outline four reasons why organizations need to safe keep documents in files (4mks)

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2. Give the four components of business studies (4mks)

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3. List four reasons why a business may fail (4mks)

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4.Use the table below to outline four differences between basic wants and secondary wants

(4mks)

|  |  |
| --- | --- |
| Basic wants  | Secondary wants |
|  |  |
|  |  |
|  |  |
|  |  |

5. Identify four activities in the extractive level of production (4mks)

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6. Outline four ways in which partners may be classified (4mks)

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7. Highlight four characteristics of mail order store (4mks)

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8. Outline the meaning of the following terms as used in accounting (4mks)

i)Networth of a business

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ii)Business transaction

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iii) Cash transaction ……………………………………………………………………………………..

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vi)Credit transaction

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9. State four main factors that may limit the level of a country’s national income. (4mks)

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10. Identify four ways in which a business may be of benefit to people in the surrounding area (4mks)

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11. for each of the transaction shown in the table below, state the balance sheet items affected by each transaction and the manner in which it is affected using (+) for increase and (-) for decrease. (4mks)

|  |  |  |
| --- | --- | --- |
| Transaction  | Balance sheet item(s) increased  | Items affected items decreased |
| a)Start of a business with Ksh.80,000 cash |  |  |
| b)Borrowing of Sh. 30,000 from a bank for business use |  |  |
| c)Banking of business profit of Ksh 12,000 into the business account |  |  |
| d)Sale of part of business premise for cash Sh.25,000. |  |  |

12. State four ways of increasing efficiency and effectiveness of human porterage (4mks)

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13. The following information relates to Makuyu Traders. Determine the missing figures. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Assets  | Liabilities | Capital |
| a) | 50000 | 70000 | A |
| b) | 320000 | B | 280000 |
| c) | C | 14360 | 12000 |
| d) | 67,000 | D | 27,705 |

14.Post the following transactions in the ledger books of Embakasi traders (4mks)

March 1/2013 commenced business with sh. 150,000 cash at bank

March 5/2013 bought machinery in credit for sh. 9500

15. Give four reasons that make insurance companies decline to insure acts of nature (4mks)

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16. Name 4 sources of business ideas. (4mks)

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17. State 4 office etiquette of a business person. (4mks)

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18. Mention four main types of demand. (4mks)

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19.State four principle of cooperatives. (4mks)

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20. Name 4 methods of government involvement in business (4mks)

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21. List four types of unemployment. (4mks)

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22. Name 4 barriers of effective communication. (4mks)

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23. Name 4 types of life assurance contracts (4mks)

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24.Outline 4 benefits of a bonded warehouse to the importer. (4mks)

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25. Give 4 characteristics of oligopoly market structure. (4mks)

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