

STAREHE BOYS HIGH SCHOOL MOCK 2015

BUSINESS PAPER 1

1. Highlight four reasons for which business should observe ethical practice. {4 marks}
 - i)
 - ii)
 - iii)
 - iv)

2. Outline four positive implications of a youthful population to an economy. {4 marks}
 - i)
 - ii)
 - iii)
 - iv)

3. Highlight four circumstances in which a cheque may be used as a means of payment. {4 marks}
 - i)
 - ii)
 - iii)
 - iv)

4. Outline four features of liners is sea transport. {4 marks}
 - i)

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- ii)
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- iii)
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- iv)
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5. Mango Traders had the following ledger account balances as at 31st December 2014.

	Ksh.
Sales	100,000
Purchases	170,000
Returns inwards	10,000
Returns outwards	20,000
Salaries	30,000
Capital	40,000
Bank loan	50,000

Prepare the business trial balance as at 31 December 2014. {5 marks}

6. Of late the government has privatized many public corporations. Outline any four reasons that may have led to this. {4 marks}

- i)
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- ii)
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- iii)

iv)

7. Outline four functions of the International Bank for Reconstruction and Development. {4 marks}

i)

ii)

iii)

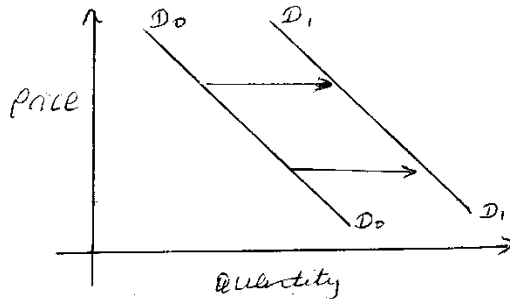
iv)

8. The following balances were extracted from the books of Ayuma Enterprises on 31/12/2014.

	Sh.
Gross profit	120,000
Rent income	100,000
Dividend received	200,000
Salaries	300,000
Carriage outwards	10,300
Discount allowed	21,000

Prepare Ayuma Enterprises profit and loss account for the year ended 31/12/2014. {4 marks}

9. The diagram below represents the demand of a commodity X in the market.



Highlight factors that may cause a change from D_0 to D_1 {4 marks}

- i)
- ii)
- iii)
- iv)

10. Highlight four reasons why a small scale business may succeed despite competition it faces from large firms. {4 marks}

- i)
- ii)
- iii)
- iv)

11. State four advantages of using credit cards as a means of payment. {4 marks}

- i)
- ii)
- iii)
- iv)

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12. Highlight four circumstances under which a seller would require a buyer to pay cash with order. (C.W.O) {4 marks}

- i)
- ii)
- iii)
- iv)

13. Identify four ways through which businesses give after sales services to their customers. {4 marks}

- i)
- ii)
- iii)
- iv)

14. Outline four differences between a cheque and Bills of exchange. {4 marks}

- i)
- ii)
- iii)
- iv)

15. List four levels of inflation. {4 marks}

- i)

- ii)
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- iii)
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- iv)
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16. Outline four benefits of export processing zones to a country. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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17. Highlight four monetary policy measures used by the central bank to decrease money supply in the economy. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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18. Highlight four demerits of letters as a means of communication. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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19. Outline four features of a public limited company. {4 marks}

- i)
- ii)
- iii)
- iv)

20. On 1st January 2015 the cash book of Moja Traders showed cash and bank balances of Sh. 10,000 and sh. 20,000 (cr) respectively. Transactions that took place during the month were:-

- January 2 Cash sales sh. 12,000.
- January 10 Paid sh. 2,000 cash in respect of wages.
- January 15 Received a cheque for sh. 35,000 from a debtor.
- January 25 Withdrew sh. 5,000 from bank for office use.
- January 29 Paid sh. 3,000 cash to a creditor.

Prepare a two column cash book for the month. {5 marks}

21. An organization wants to increase the productivity of its workers. Highlight any four cause of action it can take in order to achieve this. {4 marks}

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- ii)
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- iii)
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- iv)
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22. Outline any four sources of monopoly power for a firm. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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23. Differentiate between ordinary shares and preference shares of a company. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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24. Highlight any four characteristics of an under developed country. {4 marks}

- i)
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- ii)
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- iii)
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- iv)
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25. Outline the meaning of the following as used in International Trade. {2 marks}

i) Franco

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ii) FAS

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