

Answer all the questions in the spaces provided.

Outline four factors that may determine the fertility rate of a population.

(4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

State the unit of carriage for each of the following modes of transport.

(4 marks)

	Mode of transport	Unit of Carriage
a.	Porterage	
b.	Road	
c.	Sea	
d.	Air	

A dairy farmer sold milk to the cooperative society at Sh. 370. The cooperative society processed and sold the milk to ABC wholesalers at Sh. 400. ABC wholesalers sold to K retailers at Sh. 440, who then sold to the consumer at Sh. 510. Calculate the total value added to the product.

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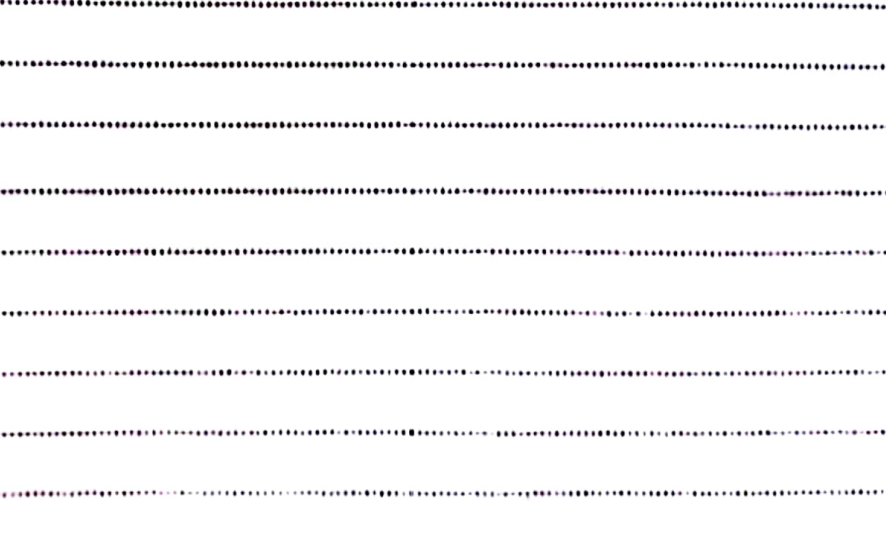
- 4 NBC company has been listed at the Nairobi Securities Exchange (NSE). Outline four advantages of NBC company being listed on the NSE. (4 marks)
- (a)
-
- (b)
-
- (c)
-
- (d)
-
- 5 Outline four factors that can lead to business success. (4 marks)
- (a)
-
- (b)
-
- (c)
-
- (d)
-
- 6 Identify four reasons that may influence a consumer to satisfy basic wants before secondary wants. (4 marks)
- (a)
-
- (b)
-
- (c)
-
- (d)
-



The graph illustrates a positive, non-linear relationship between Price and Quantity. The curve starts at a price of 10 for a quantity of 1 and rises steeply, reaching a price of 70 for a quantity of 10. The slope of the curve increases as quantity increases, indicating increasing marginal returns.

Quantity	Price
1	10
2	18
3	22
4	28
5	38
6	45
7	50
8	58
9	65
10	70

(4 marks)



10 Outline four demerits of government involvement in business in the country (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

11 Sole traders prepared a balance sheet as at 31st December 2023. Highlight four uses of this financial report to the business. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

12 Outline four factors that may lead to a favourable balance of payment for a country. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



13 Highlight four features of a bonded warehouse. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-

14 Identify the business units that match the description given in the following table. (4 marks)

	Description	Business unit
(a)	In the event of a member's death business has to be dissolved	
(b)	Can only start operating once it receives a certificate of incorporation	
(c)	Managed by a committee of nine members who are elected in an annual general meeting	
(d)	Formed by a minimum of seven members with no maximum membership	

15 Ubora Traders is operating an electrical shop and has introduced a new product in the market. Highlight four reasons why it may need to promote the new product. (4 marks)

- (a)
-
- (b)
-
- (c)
-
- (d)
-



16 State four internal sources of public finance

(4 marks)

- (a)
- (b)
- (c)
- (d)

17 Highlight four factors that may facilitate a high rate of economic development.

(4 marks)

- (a)
- (b)
- (c)
- (d)

18 The following are types of taxes: corporate tax, customs duty, estate duty and excise duty. Identify which type of tax matches each of the following statements.

(4 marks)

	Statement	Tax
a)	Tax levied on manufactured goods	
b)	Tax levied on wealth of a person after death	
c)	Tax levied on entry of goods into a country	
d)	Tax levied on profits of business enterprises	



9

Post the following information of a sales journal to the relevant ledger accounts. (4 marks)

Date	Details	Invoice No.	Folio	Amount (Sh.)
2023 Sept 1	Opondo	415	SL1	9,000
5	Hassan	416	SL2	6,500
10	Wanjiru	417	SL3	5,000
15	Opondo	418	SL1	2,000



(c)

(d)

- 23 A business involves itself in multiple transactions that affect accounting in its daily activities. Identify four examples of such business transactions. (4 marks)

(a)

(b)

(c)

(d)

- 24 Classify each of the following production activities as either primary, secondary or tertiary. (4 marks)

	Activity	Level of production
a)	Quarrying	
b)	Plaiting someone's hair	
c)	Growing crops	
d)	Constructing a house	
e)	Transportation of raw materials	
f)	Grinding maize	
g)	Baking bread	
h)	Teaching in a classroom	

