NYAMBARIA HIGH SCHOOL

END OF YEAR EXAMS

Paving Way For Kenya Certificate of Secondary Education Success

Name …….. Admission no…….

Candidate's Signature…… Date…….

FORM 3

BUSINESS

PAPER 2

TIME: 2Hours

Instructions to candidates;

a) *Write your name and admission number in the spaces provided above.*
b) *Sign and write the date of examination in the spaces provided above*
c) *This paper consists of **six** questions.*
d) *Answer any **five** questions in the spaces provided after question six.*
e) *All questions carry equal marks*

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1. a) Explain five principles that is used by Britam Insurance company that is responsible for their success and efficiency in operations. **(10 marks)**

(b) Explain **five** features of a good filing system. **(10 marks)**

2. (a) Describe **five** documents required to register a public limited company. **(10 marks)**

(b) Explain five benefits that could accrue to a customer who buys goods from a departmental store. **(10mks)**

3. a) Businesses are currently employing new product promotional strategies as a way of boosting their sales volumes. Identify and explain four such strategies. **(8marks)**

(b) The following information relates to the business of Kazuri Enterprises for the week ended 29th March 2016.

March 24th	Started business with Kshs 24,000 in the bank.
March 25th	Bought goods worth Kshs 18,000 by cheque.
March 26th	Sold goods for cash Kshs 10,000
March 28th	Sold goods on credit to Mrembo worth Kshs 5,625
March 29th	Bought Furniture from Seremala Ventures worth Kshs 20,000 paying Kshs 5,000 by cash and the rest to be paid later.

Required Prepared ledger accounts and balance them off. **(12 marks)**

4. a) Explain five documents sent by the buyer to the seller in Home trade. (10marks)

b) Using a diagram illustrate the effects of a positive shift of a demand curve on the equilibrium point, price and quantity **(10mks)**

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5. a) Describe four channels followed in exporting agricultural product.

(8 mks)

b) On 1st March 2020, Swara Limited had cash in hand shs. 7,800 and a bank overdraft of 23,400. During the month of the following transaction took place.
March 3: Cash sales sh. 6500 paid directly into the bank.
March 4: Bought goods for sh. 15,000 by cheque.
March 6: cash sales sh. 50,000
March 9: Received a cheque for sh. 18,000 from Amolo in full settlement of his account of sh. 20,000.
March 13: Paid insurance premiums sh. 16,000 in cash.
March 14: Paid Kimotho by cheque sh. 9,700 in full settlement of his debt of sh. 10,000.
March 17: Cash sales sh. 150,000 paid directly into the bank.
March 21: Withdrew shs. 30,000 from bank for office use.
March 23: Received a cheque of sh. 23,750 from Rotich after having deducted 5% cash discount.
March 25: Paid wages shs. 20,000 in cash.
March 30: Banked all cash except sh. 3,000.

Required: Prepare a three column cashbook duly balanced. (12marks)

6. a) Highlight five circumstances under which a consumer may need government protection. **(10 marks)**

b) Highlight five factors which an entrepreneur should consider when evaluating a viable business opportunity **(10 marks)**