MOI HIGH SCHOOL
KABARAK

FORM 3 2026 END TERM 3 EXAMS

Paving Way For Kenya Certificate of Secondary Education Success

Name …….. Admission no…….

Candidate's Signature…… Date…….

FORM 3

BUSINESS

PAPER 1

TIME: 2Hours

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

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

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

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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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