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 2

TIME: 2Hours

INSTRUCTIONS TO CANDIDATES:

- *Write your name and index numbers in the spaces provided*
- *All answers should be written in the spaces provided in this booklet.*
- *Answer any five questions.*

For Examiner's Use Only

Qs	1 (a)	(b)	2 (a)	(b)	3 (a)	(b)	4 (a)	(b)	5 (a)	(b)	6 (a)	(b)	Total scores
Marks													

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1.

a) Explain five accounting documents used in home trade. **[10 mks]**

b) There has been a decline in demand for wooden furniture. Explain five factors that may have caused this trend. **[10 mks]**

2.

a) Explain five features that differentiate a public limited company from a partnership. **[10 mks]**

b) Describe five common channels of distribution for the locally manufactured goods. **[10mks]**

3.

a) The following balances were extracted from the books of Mageta traders on 31st Jan 2015.

	(Shs)
Land	82 000
Furniture	61 500
Debtors	17 700
Bank	91 000
Stock	18 600
Cash	10 800
10 yrs Bank loan	165 000
Creditors	34 100

Required: **[10mks]**

i. Determine the business capital

ii. Prepare a Mageta Traders balance sheet as at 31st Jan 2015.

b) Highlight five factors that may promote entrepreneurship in Kenyan. **[10mks]**

4.

a) Explain five ways in which a warehouse may promote trade. **[10mks]**

b) Explain five problems that may be faced when measuring national income using the output approach. **[10mks]**

5.

a) Outline five differences between open office layouts and enclosed office layouts. **[10mks]**

b) Explain five reasons for consumer protection. **[10mks]**

6.

a) Outline four circumstances in which a trader may offer after sales service to the buyer. **[10mks]**

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b) The following information was extracted from books of Mamboleo Traders in the month of September, 2014.

September 1	Had cash in hand shs. 15 500 and a bank overdraft of shs. 9 700.
September 3	Bought goods for sale shs. 12 300
September 5	Sold goods in cash shs. 8 500
September 9	Sold goods on credit shs. 10 000
September 12	Receive a cheque of shs. 9 000 from a debtor
September 15	Paid a creditor shs. 10 000
September 17	Paid wages shs. 2 600 in cash
September 19	Received a cheque shs. 23 400 from Samson for goods sold in January
September 23	Withdrew shs. 7 700 from the bank for office use.
September 24	Paid electricity bills by cheque of shs. 1 200
September 25	Received a cheque of shs. 11 500 from a debtor
September 26	Made cash sales of shs. 12 800
September 27	Purchased goods worth shs. 8 950 in cash
September 28	Paid water bills by cheque shs. 2 800

Required: Prepare a two column cash book. **[10mks]**

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