

FORM FOUR TERM ONE EXAM 2017

BUSINESS
Paper 2
Time: 2 Hours

SCHOOLS NET KENYA

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This paper consists of 5 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.

1. (a) Outline the benefits of pooling of risks to an insurance company
(10mks)

(b) Using a diagram, briefly explain leakages and injections in a two sector economy
(10mks)

- 2 (a) The following information relates to the business of Lurambi for the week ended 30th May 2014

May 2014

May 25th started business with Sh.24000 in the bank

26th Bought goods worth Sh.18000 by cheque

27th sold goods for cash sh.18,900

28th paid rent sh.150 in cash

29th cash sales worth sh.5625

30th paid commission sh.900 in cash

Prepare ledger accounts and balance them off; (10mks)

(b) Outline reasons why computerized filling is preferred by most institutions (10mks)

- 3 (a) Explain **five** services that the central bank of Kenya offers to commercial banks
(10mks)

(b) Discuss **five** uses of National income statistics to a country (10mks)

4. (a) Discuss the factors that should be considered in choosing a channel of distribution (10mks)
- (b) Explain any **five** types of wholesales who may be found in our country today (10mks)
5. (a) Assume that you are the sales manager of Kenya Breweries Limited. Explain the qualities you would look for every time you are recruiting your sales executives (10mks)
- (b) Explain the benefits associated with containerization (10mks)
6. (a) The following information was extracted from the books of Book point for the period ended 31-12-2013

	sh
Opening stock	21000
Purchases	40,000
Closing stock	10,000
Sales	82,000
Returns inwards	2000
Motor vehicle	10,000
Rent	3000
Sales expenses	18000
Discount received	3000

Required: Draw a Book point Trading , profit and loss account for the period ended 30-12-013(12mks)