PRE-MOCK MARKING SCHEME

Relieved

1a BENEFITS THAT ACCRUE TO A COUNTRY AS A RESULT OF DELOCALIZATION.

1. Reduced income disparities – people have access to jobs/incomes.
2. Better auxillary services – rural areas develop leading to
3. Increased job opportunities – better stds of living
4. Increase use of locally available resources / factors of production
   – they earn incomes
   – would otherwise have been idle
5. Improved standards of living – rural development leads to variety increased/improved goods/services
6. Reduced rural urban migration / congestion in towns – reduced pressures on urban resources.
7. Balanced economic/regional development – as firms or economic activities are spread throughout country
8. Technology skills transfer – leading to improved productivity
9. Infrastructural development – opens rural areas to development
   – facilitates movement of goods & services
10. Improvement/development of social facilities – leading to improvement in welfare in rural areas
13. Minimised effects of pollution – negative on health
11. Market for raw materials/goods produced in area.
12. Minimises effects of calamities that would paralyse country

1b EXPLAIN FEATURES OF PERFECT COMPETITION.

(I) Large number of buyers and sellers

(II) Uniformity of product

(III) limiting factors to entry

(IV) No government interferance

(V) Perfect Knowledge of market by buyers & Sellers

(VI) Demand & Supply determine the market price.
No excess demand and supply on the market.

(VII) Perfect mobility of factors of production

Any 5 well explained

(VIII) No transport Costs

Any 5 well explained.

2(a) RECORDS IN THE RELEVANT BOOKS OF ORIGINAL ENTRY.

Purchases day book / Journal

Date	Details	Folio	Amounts
Dec 1	Weka		46200
1	Mioko		15600
1	Limo		38360
11	Tuktuk		34830
22	Fatuma		22100
22	Temo		38350

Sales day book / Journal

Date	Details	Folio	Amounts
Dec 3	Lwanda		39200
3	Motor Grocers		25560
3	Mawe		12650
15	Motor Grocers		6800
15	Marion traders		12800
	Ngula		16060
	Oyonga		12960
	Mawe		15260

Sales returns journal

Date	Details	Folio	Amounts
Dec 12	Motor Grocers		4550
12	Lwanda Retailers		1280
18	Marion traders		2060

Purchases day book

Date	Details	Folio	Amounts
Dec 7th	Micko		4200
7th	Limo		6140

2b FACTORS THAT ENHANCE EFFICIENT RUNNING OF A WAREHOUSE

(i) Labour – Skilled / adequate to handle volume of goods.

(ii) Record keeping / Documentation – should be good to enable monitor movement of goods.

(iii) Spacious – Adequate / big to accomodate the volume of goods.

(iv) Adequate / relevant equipment / handling facilities for ease of movement.

v) Adherance to legal requirements – to avoid conflict with government.

vi Presence of storage facilities – for preservation of goods – goods maintain quality

vii Security / safety measures – to avoid theft / loses / damage – Protection of employees.

Building design / structure – acceptable standards to handle goods dealt in

accept examples of near road / port.

Location – near entry points for ease of clearance.

3a 2010

NEGATIVE EFFECTS OF INFLATION TO A COUNTRY'S ECONOMIC DEVELOPMENT.

Discourages savings

Increases intrest rates

People with fixed incomes negatively affected

Lenders lose.

Socio Political unrest

Worsening balance of payments

Low income earners

Investments

Unemployment.

Hinders implementation of development Plans.

15a PROCEDURE TO BE FOLLOWED WHEN TAKING INSURANCE POLICY.

(i) Filling a Proposal form
The person intending to take policy applies by filing a form.

(ii) Determination of Premium
The insurance Company studies information provided in proposal form to determine premiums to be paid.

(iii) Payment of first premium

(iv) Issuance of Cover note/binder
- evidence that agreement entered by the two parties.

(v) Issuance of Insurance Policy/Certificate
The insurance Coy issues policy/certificate details the agreement between the two giving terms and conditions of agreement

Any 5 well explained x 2
(10 mks)

LIMITATIONS OF USING CONTAINERISATION.

(I) Requires specialised equipment for handling
 - This is lacking or is expensive to buy / maint ain

(II) Requires specialised staff. - is lacking
 - training is expensive

(III) Volume of business may not be large enough to warrant investment / uneconomical

(IV) Initial capital required is high - not available

(V) Method requires redesigning of ports or construction - expensive

(VI) Resistance by employees (COTU and other interested parties as it causes unemployment.

(VIII) Requires use of technology which is lacking or not available

BENEFITS ENJOYED BY A COUNTRY AS A RESULT OF INDIRECT PRODUCTION.

6a

(I) Use available resources - idle / wasted

(II) Creation of employment for those engaged in trading activities

(III) Expanded / wide market for goods /

(IV) Variety of goods / services - gives people a wide choice / to satisfy different consumer needs.

~~Crossing~~

(VI) Increased incomes

(VII) Increased business opportunities

(VII) Increased production of goods & services - more goods available to country citizens

VIII Increased specialisation - increased quality / output

IX Improved technology due to exchange of ideas

X Enhances peace / understanding due to interaction

XI Disposal / sale of surplus goods - minimising wastage / loss

XII. Receive goods / services they dont produce by buying from others

XIII Improved infrastructure (eg roads) leading to easy of movement

6b

MUGOYA TRADERS

TRADING PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2014

	sh	sh			
Opening stock		45000	Sales		320000
Add Purchases	140000		less S.R		15000
less P. R	19000			305	305000
Add carriage	5400	No 164400			
C.G.A.F.S		209400			
less closing stock		22000			
C.G.S		187400			
Gross profit c/d		117600			
		305000			305000
Discounts		6000	Gross Profit b/d		117600
Salaries		50000	Discounts		2000
Power & lighting		12000	Commissions		8000
Carriage outward		2300			
Net profit		57,300			
		127600			127,600

20 ticks @ ½ =

No mark at net purchases 164400