**HOLA SECONDARY SCHOOL**

**MID TERM EXAMINATION**

**BUSINESS STUDIES **

**YEAR 2015**

**TERM ONE**

**FORM 4**

**PAPER 2**

**TIME: 2 HOURS 30 MINUTES**

**NAME\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CLASS\_\_\_\_\_\_\_\_\_ADM/NO.\_\_\_\_\_\_\_\_\_\_\_**

**INSTRUCTIONS: ANSWER ANY FIVE QUESTIONS FROM THE GIVEN 6 (SIX).**

**1A)** Currently Kenya is experiencing unemployment problems. Discuss any FIVE measures that Kenya may adopt in solving unemployment problems. (10mks)

b) Due to unemployment in Kenya, the government is encouraging jobless Kenyans to venture into business. Explain any five causes of business success. (10mks)

2a) Discuss FIVE implications of a rapid population growth. (10mks)

b) Most societies have adopted indirect production. Explain FIVE importance’s of indirect production.(10mks)

3a) Most developed countries are experiencing an ageing population. Discuss any five problems associated with an ageing population. (4mks)

b) Outline five reasons why personal selling is increasingly being used as a method of product promotion. (10mks)

4a) Explain five reasons for the popularity of sea transport in Kenya’s export trade. (10mks)

b) Explain five requirements insurable risk. (10mks)

5a) Delocalisation is the establishment of firms in different parts of the country. Explain disadvantages of delocalisation. (10mks)

b) Recently, the use of credit cards/plastic money is on the rise. Explain any five disadvantages of using credit cards/plastic money. (10mks)

6a) Explain five reasons why the government of Kenya charges taxes. (10mks)

**b)** The following information relates to the trial balances of SINA HOFU ENTERPRISES as at 31st December, 2013.

**SINA HOFU ENTERPRISES**

**TRIAL BALANCE**

**AS AT 31ST DECEMBER 2013**

|  |  |  |
| --- | --- | --- |
| **DETAILS/PARTICULARS** | **DEBIT (SHS)** | **CREDIT (SHS)** |
| Capital  Sales  Purchases  Salaries  Rent Income  Stock (1st January 2013  Insurance  Telephone  Advertising  Premises  Furniture  Debtors  Creditors  Cash in Hand  Cash at Bank | 111,000  13,300  12,500  10,500  19,500  4,000  100,000  16,000  33,500  18,400  11,600 | 58,300  200,00  40,000  53,000 |
|  | **351,300** | **351,300** |

Stock as 31st December 2013 was valued at Kshs. 8,500.

**Prepare:**

1. Trading, Profit and Loss Account for the year ended 31st December, 2013. (8mks)
2. Balance sheet as at 31st December, 2013