**ELERAI MCK GIRLS SECONDARY SCHOOL**

**MIDTERM CAT I TERM III 2014**

**BUSINESS FORM THREE**

1. Explain five advantages of a large population to a developing country (10mks
2. The following information relates to the business of to four weeks ended 30th may 2011.

May 25th started business with 24,000 bank cash

May 26th bought goods for 18,000cheque

May 27th cash sales 18,900

May 28th paid for rent 150 cash

May 29th received cash 5625 form sales

May 30th paid commission 900 cash

**Prepare**

1. Ledger accounts to record the transaction above
2. Trial balance as at 30th may 2011 (10mks)
3. Outline the benefit of pooling of risks to an insurance company (10mks)
4. African countries are characteristics of such economies (10mks)
5. Using a diagram, briefly explain leakages and injections in a two sector economy (10mks)