PAPER 1

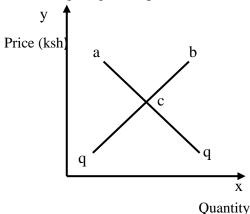
**TIME: 2 HOURS** 

## MACHAKOS COUNTY KCSE TRIAL AND PRACTICE

## **EXAM 2015**

1. Outline **FOUR** features that constitute a market. (4 Marks)

2. The following diagram represents demand and supply of a product.



	< \	<b>a</b>	1	. 1	1	
(	<b>a</b>	State	what is	represented	hx	curves
١	···	State	WIIICE ID	represented	$\mathbf{v}$	Cui I CD

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- (b) On the diagram, indicate equilibrium price (PE) and equilibrium quantity (QE) (4 Marks)
- 3. Outline **FOUR** advantages of after sales services as a method of sales promotion to a customer. (4 Marks)
- 4. Give **FOUR** reasons why a consumer should satisfy basic wants before secondary wants. (4 Marks)
- 5. Outline **FOUR** reasons why a multinational company may prefer setting up a production unit in developing country instead of exporting finished goods to the country. (4 Marks)
- 6. State the factor of production that each of the following resources relate to:- (5 Marks)

Resource	Factor of production
(a) Manager	
(b) Quarry	
(c) Vehicle	
(d) Water	
(e) Owner	

7. In the spaces provided below, indicate with a tick (✓) whether each of the following statements relates to preference or ordinary shares. (3 Marks)

Statement	Preference	Ordinary

	(a) Represents real owners of	company						
	(b) Rate of dividends is fixed							
	(c) Has voting rights							
	(d) Redeemable							
	(e) May be cumulative							
	(f) Considered last in liquida	tion						
8.	Outline <b>FOUR</b> features of tra	nde credit as	a source of finance for busines	s units.	(4 Marks)			
9.	State the term that best fit each	ch of the follo	owing description.		(4 Marks)			
	(a) Money brought into the b		-		,			
	(b) Goods bought for resale	•						
	(c) Money withdrawn by own	ner of busine	ess for personal use					
	•	(d) Money borrowed from outsiders by owner of the business for business use						
10	. The following balances were	•						
		Shs.						
	Opening stock	50,000						
	Sales	360,000						
	Gross profit	25% of sale	· S					
	Closing stock	70,000						
	Calculate	70,000						
					(2Marks)			
	(a) Cost of goods sold				(ZiviaiKS)			
	(b) Rate of stock turnover				(2 Marks)			
11	` '	5 <sup>th</sup> 2014 with 1 June 16 <sup>th</sup> 20 June 20 <sup>th</sup> 20	h Ksh. 500,000 in bank. 014 for KSh. 250,000, paymen 014 from the business bank a/c	• •				
12	On June 1st 2015, Kelly had KSh. 6000 cash in hand and a bank overdraft of Sh. 2000; during the month the							
	following transactions took.	1.14	4 1' 4 IXG1 00 000 I	and				
	(a) Received cheques from (b) June 5 <sup>th</sup> , paid telephor		taling to KSh. 80,000 on June 2	<u>Z</u> -				
	(c) June 8 <sup>th</sup> , withdrew Sh							

Kelly Traders Two – Column Cashbook

Enter the above information in the two – column cash book given below and balance it off

for the month of June 2015

(4 Marks)

Date	Particulars	Bank	Cash	Date	Particulars	Cash	Bank

	1						
13. Outline <b>FOUR</b> ways of curl	bing cost pus	h inflation.				(4 Marks)	
14. Outline <b>FOUR</b> circumstance	ces under whi	ch the per cap	ita income sta	tistics would l	be a good indi	cator of the	
welfare of the citizens of co	ountry.					(4 Marks)	
15. Outline <b>FOUR</b> challenges a	associated wit	th a high ageir	ng population	in a country.		(4 Marks)	
16. Outline <b>FOUR</b> purposes of taxation. (4							
17. State <b>FOUR</b> basis of international trade							
18. Outline <b>FOUR</b> methods that a country may use to restrict international trade.							
19. State <b>FOUR</b> reasons why an invoice received is important in accounting.							
20. Outline <b>FOUR</b> items that are included when computing national income using the expenditure approach. (4 Marks)							
21. Outline <b>FOUR</b> features of insurable risks							
22. State <b>FOUR</b> features of chain stores. (4 Mar							
23. Outline FOUR factors that constitute an efficient transport system.							
24. State FOUR goals of development. (4 Marks							

(4 Marks)

25. Outline **FOUR** disadvantages of use of Automatic Teller Machines (ATMs) in banking.