

4321
P2 BUSINESS EDUCATION
P. T. E. (Pre-service)
July/August, 2002
Time: 3 hours

Index No. _____
Name _____
College _____

THE KENYA NATIONAL EXAMINATIONS COUNCIL

PRIMARY TEACHERS' EXAMINATION
(Pre-service)

BUSINESS EDUCATION

3 hours

INSTRUCTIONS TO CANDIDATES

1. Write your index number in the space provided above.
2. Write your name and the name of your college in the spaces provided above.
3. This question paper consists of **TWO** sections: **A** and **B**.
4. Answer **ALL** the questions in this paper.
5. All answers must be written in the spaces provided in this booklet.
6. Do not remove any pages from this booklet.

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SECT.	QUEST.	MAX.	SCORE
A	1- 20	60	
B	21	10	
	22	10	
	23	10	
	24	10	
Total Score			

This paper consists of 11 printed pages

SECTION A (60 marks)

Answer ALL the questions in the spaces provided.

1. State **three** circumstances under which a government may be required to protect consumers. (3 marks)

(a) _____

(b) _____

(c) _____

2. Outline **three** ways in which a bank current account differs from a bank savings account. (3 marks)

(a) _____

(b) _____

(c) _____

3. You intend to teach standard VIII the lesson topic "Means of communication". State **three** key points that you would include in the lesson development. (3 marks)

(a) _____

(b) _____

(c) _____

4. List **three** principles of insurance. (3 marks)

(a) _____

(b) _____

(c) _____

5. State **three** reasons why a producer would prefer to have his own retail outlet. (3 marks)

- (a) _____

- (b) _____

- (c) _____

6. Highlight **three** disadvantages of barter trade. (3 marks)

- (a) _____

- (b) _____

- (c) _____

7. Outline **three** types of information that a trader would include in a letter of inquiry to a supplier. (3 marks)

- (a) _____

- (b) _____

- (c) _____

8. You plan to teach standard VI the lesson topic "Methods of payment for goods". State **three** specific objectives that you would have for the lesson. (3 marks)

- (a) _____

- (b) _____

- (c) _____

9. Donde intends to open a butchery at his local shopping centre. State **three** legal requirements that he should meet before he opens the butchery. (3 marks)

- (a) _____

- (b) _____

- (c) _____

10. The following cash book was prepared by a bookkeeper of Sasa Traders but a number of items and some information were left out.

Sasa Traders

Cash Book

Date	Details	X	Cash	Bank	Date	Details	Y	Cash	Bank
2001					2001				
March 1	Z		2,000	20,000	March 4	Ruto	200	-	9,800
5	Sales		15,000		25	Cash (c)			12,000
12	Kamau	2,500		47,500	28	Salary		4,500	
25	Bank (c)		(w)		31	Balance c/d		(t)	(s)
		<u>2,500</u>		<u>67,500</u>			<u>200</u>		<u>67,500</u>

- (a) Provide the information missing in X _____
 Y _____
 Z _____
- (b) Provide the information missing in w _____
 t _____
 s _____

(3 marks)

11. State whether each of the following transactions would increase or decrease the capital balance of a business by putting a tick (✓) in the relevant column. (3 marks)

Transaction	Capital	Balance
(a) Depositing extra cash into the business		
(b) Withdrawing money for personal use		
(c) Crediting profit earned into business		

12. Name **three** levels of production. (3 marks)

- (a) _____
 (b) _____
 (c) _____

13. State **three** sources of finance to a business. (3 marks)

- (a) _____
 (b) _____
 (c) _____

14. Name **three** basic human wants. (3 marks)

- (a) _____
 (b) _____
 (c) _____

15. On 1 January 2001, Karanja started business with sh.75,000 in cash and sh.150,000 in the bank. During the month he made the following transactions.
 2001

- Jan. 2 Bought goods for resale sh.30,000 in cash
 15 Sold goods worth sh.40,000 to Kamau on credit
 29 Deposited sh.20,000 into bank from cash till.

Record the above information in ledger accounts of Karanja Traders. (4 marks)

16. State **three** advantages of operating a sole proprietorship form of business. (3 marks)

(a) _____

(b) _____

(c) _____

17. Outline **three** advantages of a public limited company. (3 marks)

(a) _____

(b) _____

(c) _____

18. Name **three** characteristics of a good filing system. (3 marks)

(a) _____

(b) _____

(c) _____

19. The following information relates to stock ledger account of Sungura Traders:

Date 2001	Receipts Units	Issues Units	Balance Units
Jan. 2	—	—	20,000
15	40,000	—	60,000
20	—	15,000	X
28	55,000	Y	80,000
30	60,000	—	Z

Determine stock values at: X _____

Y _____

Z _____

(3 marks)

20. State **two** circumstances under which a producer may offer free samples of his products. (2 marks)

(a) _____

(b) _____
