

GIDEONS ELITE BOYS CENTRE OF EXCELLENCE

P.O BOX 583-20300 NYAHURURU

DECEMBER-2024 ASSIGNMENT

THIS ASSIGNMENT WILL COVER 70% OF OPENER EXAM.

ALL QUESTIONS SHOULD BE ANSWERED IN THE EXERCISE BOOK

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DEMAND AND SUPPLY

1. Indicate by writing a demand or supply whether each of the following factors influence demand or supply of a commodity. (5mks)

- a) Changes in the prices of inputs
- b) Change in tastes and preferences.
- c) Changes in technology
- d) Changes in incomes
- e) Changes on the price of other related products.

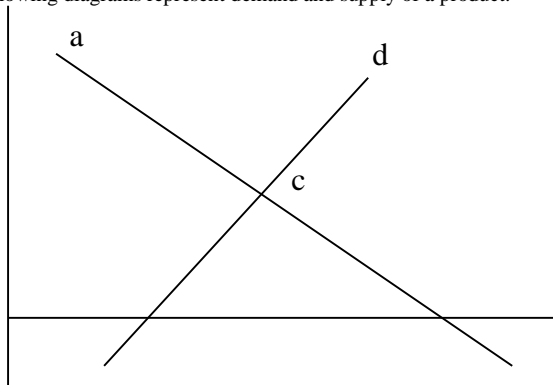
2. In each of the following cases, indicate whether the supply will increase, decrease or remain constant.

- a) If the demand for coffee rises, the supply of tea is likely to
- b) If the prices of cars fall, the supply of petrol is likely to
- c) if the demand for beef increases the supply of wool is likely to

3. State four factors that may cause an increase in the supply of a product. (4mks)

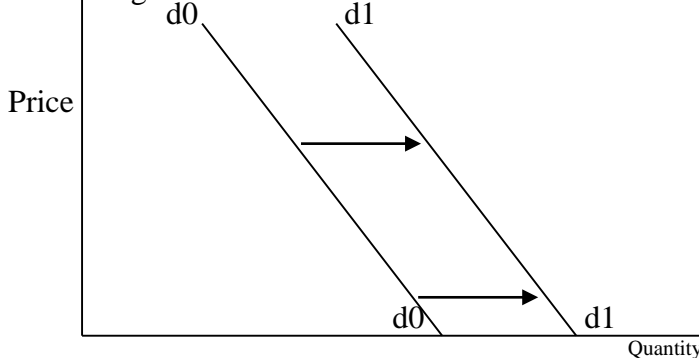
4. Outline four factors that may cause a decrease in the quantity demanded for a product. (4mks)

5. The following diagrams represent demand and supply of a product. (5mks)



- a) Label the axes (a) and (b)
- b) State what is represented by point (c)
- c) On the diagram, indicate equilibrium price (PE) and equilibrium quantity (QE).
- 6. State four factors that may lead to an increase in market supply of a product. (4mks)

9. The diagram below shows a shift in demand curve from d_0d_0 to d_1d_1 .



- Identify four factors that have made the demand curve to shift from d_0d_0 to d_1d_1
11. The table below illustrates the demand and supply of commodity.

25.00

1. Outline four ways in which the price of goods and services can be determined in the market other than through the forces of demand and supply curve.

State disadvantages of concentrating industries in one area within a country. (4mks)
 2. Highlight four circumstances under which a firm would be located near the market for its product. (4 marks)
 3. Outline four ways in which land influences the location of industries. (4 marks)
 4. State four circumstances under which a firm would be located near the market for its products. (4 marks)
 5. State four advantages of locating a firm near the source of raw materials. (4 marks)
 6. Identify four problems that tend to limit the growth of small –scale retail business in rural Kenya. (4 marks)
1. Explain five circumstances that may influence a firm to locate its operations near the source of raw materials. (10 marks)
 2. Explain five measures that a government may take to encourage establishment of industries in rural areas. (10 marks)
 3. Highlight five advantages of having a business enterprises located in an area. (10 marks)

The following table contains information relating to a business A, B, C, and D. Determine the figures represented by W, X and Y.

Business	Assets	Capital	Liabilities
A	620,000	W	230,000
B	X	400,000	120,000
C	800,000	500,000	Y

2. In the spaces provided, indicate with a (+) or (-) the effects of each one of the following transactions on the assets, Liabilities or capital (4 marks)

	Assets	Liabilities	Capital
a Bought furniture on credit			
b. Paid creditors by cash			
c. withdrew cash for personal use			
d. Converted a personal car for business use			

3. The following relate to business A, B and C. For each of the business determine the missing figures: M, N, and P

Business	Assets	Capital	Liabilities
A	30,000	m	12,000
B	n	16,000	13,000
C	60,000	48,000	p

4. For each of the following types of accounts, state in the spaces provided whether you debit or credit increase or decrease the account. (3 marks)

Type of account	To increase	To decrease
a Asset account		
b Liability account		
c. Capital		

5. In the table below, determine the missing fig. X, Y and Z for each of business Q, R and S. –

- State the term that best fit each of the following description
- i. Money brought into the business by owner _____ ii. Goods bought for resale _____
 iii. Money borrowed by the owner of business. (4mks)

2. In the spaces provided, indicate with a (x) whether each of the following transactions will increase, decrease or have no effect in the balance sheet. (4 marks)

Transaction	Increase	Decrease	No effect
a. buying stock in cash			
b. Depositing extra cash into Business account			
c. Drawing cash for personal use			
d. Buying stock on credit			

**THE LEDGER **

1. The following trial balance of Onyati was incorrectly prepared in 30th June 1995. Prepare the correct Trial Balance.

	Dr.	Cr.
Capital	99,600	30,520
Debtors		
Creditors	25,670	80,000
Motor vehicles		
Cash	2,500	
Stock	140,250	110,520

2. The following balances were extracted from the books of Dipa traders as at 31st December 2000.

Buildings	100,000
Debtors	54,000
Capital	136,000
Sales	85,000
Purchases	48,000
Stock Jan 2000	25,500
Creditors	37,500
General expenses	31,800
Bank overdrafts	2,500

Prepare a trial balance as at 31 December 2000

(5 mks)

5. The following balances were obtained from the books of Rah Traders

	Shs.
Opening stock	50,000
Sales	360,000
Gross profit	25% of sales
Closing stock	70,000

Calculate

- a) Cost of goods sold
 b) Rate of stock turnover (5 marks)

. For each of the following production activities, indicate whether it is direct or indirect type of production

(4marks)

Activity	Type of production
i) An individual washing his own clothes	
ii) An individual supplying beef in an area	
iii) An individual operating a food kiosk	
iv) An individual producing maize for his family consumption	

2. Write in full the following abbreviations: (4marks)

- i) Franco
- ii) O.N.
- iii) C.W.O
- iv) I.O.U

3.. Identify the type of utility created in the following circumstances (4marks)

Activity	Utility
a) Carpentry	
b) Selling bread to students	
c) Warehousing of goods imported	
d) Carriage of cargo to the market	

5. Outline **four** ways in which the productivity of land can be improved (4marks)

6. State **four** ways in which a society benefits from indirect production (4marks)

7. Outline **four** disadvantages of division of labour and specialization (4marks)

8. Distinguish between the following types of utilities:- (4marks)

(a) Form utility

(b) Place utility

9. List **four** features of land as a factor of production (4marks)

10. Highlight **four** factors that could influence mobility of capital as a factor of production(4marks)

11 Highlight **four** types of utility and identify how each is created by production (4marks)

12. Give **four** characteristics of indirect production (4marks)

13. What are the factors that have contributed to the growth of entrepreneurship in Kenya. (4marks)

14. Outline **four** reasons for establishment of a business enterprise (4marks)

15. State **four** reasons to consider when evaluating a viable business opportunity (4marks)

16. State **four** reasons why the government of Kenya is encouraging entrepreneurial knowledge in school (4marks)

17. Identify **four** benefits of entrepreneurship to the developing economies such as Kenya (4marks)

18. Outline **four** non-monetary incentives that an organization may use to motivate its employees (4marks)

19. Name **four** equipment that can be available in the accounts office (4marks)
20. Identify four qualities of a personal secretary (4marks)
21. Give **four** characteristics of a good memo (4marks)
22. Outline **four** duties of a company secretary (4marks)
23. Highlight **four** ways in which an open office lay-out can contribute to efficiency in office operations (4marks)
24. State **four** reasons why an organization should keep stock records for its office stationery (4marks)
25. State **four** limitations of adoption of new technology by a business (4marks)