

10. **Highlight four** reasons that have promoted Kenya to be an active member of regional trade bloc's such as Comesa. (4mks)

11. The following information was extracted from the books of Misikhu traders

Rate of Turnover	3 times
Mark up	20%
Opening stock	Shs. 90,000
Closing stock	Shs. 150,000

Calculate

(a) Gross profit

(b) Purchases

(c) Sales (3mks)

12. **Highlight four** factors to be considered in determining the sum insured in the life insurance. (4mks)

13. **State in four** ways how the mobile phone services are important in promoting business activities. (4mks)

14. **Distinguish in four** ways direct taxation from indirect taxation. (4mks)

15. **State four** recent trends in provision of banking services. (4mks)

16. **Highlight four** disadvantages of a monopoly (4mks)

16. **State four** factors that limit the size of the firm. (4mks)

17. The price of coffee is Sh. 50 per unit while the demand for tea is 10 units at its own price. When the price of coffee increases from Sh. 50 to Shs. 60, the demand for tea increases from 10 units to 20 units. **Calculate** the cross elasticity. (4mks)

18. **Highlight four** reasons why many African countries fail to achieve high economic growth rates (4mks)

19. **State four** activities that may trigger inflation in a country. (4mks)

20. **Highlight four** disadvantages of a public company. (4mks)

21. **State four** reasons for privatization of state corporations. (4mks)

22. **Indicate** the effect of each of the following transactions on an assets, liabilities and capital putting (+) for an increase and (-) for a decrease and (NC) for no change. (4mks)

	Asset	Liabilities	Capital
(i) Cash withdrawn from bank Sh. 20,000 for office use			
(ii) The owner introduced Sh. 50,000 into the business from personal resource			

23. **Highlight four** negative impacts of production activities on the environment. (4mks)

24. **State four** measures a country can adopt to control imports. (4mks)