**NAME:……………………………….ADM. NO…………………………**

**BUSINESS STUDIES**

**FORM 2**

**JULY / AUGUST 2016**

**TIME: 2 HOURS**

**FORM 2 COUNTY MULTILATERAL EXAMS**

**END OF TERM 2 – 2016 EXAM**

**BUSINESS STUDIES FORM 2**

**INSTRUCTIONS TO CANDIDATES**

1. Write your name and admission number in the spaces provided.

2. Answer all questions

3. All answers must be written in the spaces provided.

Answer all Questions

1. State four disadvantages of specialization. (4 mks)

a)

b)

c)

d)

2. State any four essential elements of transport. (4 mks)

a)

b)

c)

d)

3. Highlight four circumstances under which verbal communication may be used.

 (4 mks)

a)

b)

c)

d)

4. Identify the type of wholesaler represented by the following statements.

a) Sells only one type of product in a particular line.

b) Use vehicle to move from place to place selling their products.

c) Sell their prdoucts in all the parts of the country.

d) Deal in a special category of goods which sell to other wholesalers.

5. State four ways in which warehousing facilities trade. (4 mks)

a)

b)

c)

d)

6. Highlight four benefits that Juma would get by becoming a member of a savings and credit – co-operative society. (SACCO). (4 mks)

a)

b)

c)

d)

7. Mention any four essential services that a government may provide to its citizens. (4 mks)

a)

b)

c)

d)

8. State four factors that influence entrepreneurial practices. (4 mks) a)

b)

c)

d)

9. The following descriptions relate to some documents that are used in home trade. Indicate the documents described.

|  |  |
| --- | --- |
| Description  | Document  |
| a) A document seeking information on the availability of given product and their prices.  |  |
| b)A document showing products and quantities required.  |  |
| c) A document that demands payment for goods sold on credit.  |  |
| d) A document sent to a specific buyer detailing the availability of goods and their prices.  |  |

10. State four reasons why somebody may want to operate a business. (4 mks)

a)

b)

c)

d)

11. Mwangi does not see the importance of filing. Mention to him four reasons why filing is important to an organization. (4 mks)

a)

b)

c)

d)

12. Highlight four factors that may be barriers to effective communication. (4 mks)

a)

b)

c)

d)

13. State four factors that should be considered when giving credit. (4 mks)

a)

b)

c)

d)

14. State four disadvantages of rail transport. (4 mks)

a)

b)

c)

d)

15. State four functions of consumer associations. (4 mks) a)

b)

c)

d)

16. Highlight four benefits that a family would get by converting their business into a private limited company. (4 mks)

a)

b)

c)

d)

17. Classify the following wants as either basic or secondary. (4 mks)

|  |  |
| --- | --- |
| **WANT**  | **BASIC/ SECONDARY**  |
| 1. Watching a film
 |  |
| 1. Giving good to school children
 |  |
| 1. Buying a trouser for your son.
 |  |
| 1. Buying a touch screen phone
 |  |

18. State four disadvantages of an enclosed office layout. (4 mks)

a)

b)

c)

d)

19. Indicate the level of production to which each of the following occupations relates to.(4mks)

|  |  |  |  |
| --- | --- | --- | --- |
| Occupation  | Primary  | Secondary  | Tertiary  |
| 1. Hair dressing
 |  |  |  |
| 1. Baking cakes
 |  |  |  |
| 1. Driving
 |  |  |  |
| 1. Quarrying
 |  |  |  |

20. Give four importance of entrepreneurship in an economy.

a)

b)

c)

d)

21. The following are types of goods; producer goods; consumer goods and economic goods. Match the goods with the given descriptions.

|  |  |
| --- | --- |
| Description  | Type of good  |
| 1. Goods that are limited in supply and therefore have a price
 |  |
| 1. Goods that have a long lifespan
 |  |
| 1. Goods that are used in creating other goods or services.
 |  |
| 1. Goods that are meant for final consumption
 |  |

22. Give four reasons that may make a cheque be dishonored by a bank. (4 mks)

a)

b)

c)

d)

23. Highlight four reasons that make a sole proprietorship business to be dissolved. (4mks)

a)

b)

c)

d)

24. State any four essentials of a good warehouse.(4mks)

a)

b)

c)

d)

25. Highlight four features of a public corporation. (4 mks)

a)

b)

c)

d)